Automotive World News

Peugeot prepares for the future

Investment in product programs starts paying off

By Richard Feast
European Editor

Peugeot S.A.'s programs during the next five years will result in four new chassis families, three new engines and three manual transmissions.

It is a staggering undertaking, even for a group which a few years ago had 15 platforms, 15 gasoline engines and 11 transmissions.

Outlines of the program were given by the French group's president Jean-Paul Parayre in one of his rare interviews. (It will be published in full in the *Forecast '84* Extra section of AUTOMOTIVE NEWS on Dec. 12.)

The integration program is already well advanced and beginning to pay dividends. Two each of the chassis, transmissions and engines already have appeared, and the PSA group has regained some lost market share in its important French home market.

"We have made a lot of progress," says Parayre, who notes the group's comeback will be taken into countries of its European competitors next year.

In 1984 PSA is aiming for 12.5 percent of the total European market with its Peugeot, Citroen and Talbot brand names, compared with 11.8 percent so far this year.

"We expect an increase in our penetration all over Europe, for two main reasons," says Parayre. "First, the launching of the new range of products this autumn. Second, the merger of the Peugeot and Talbot dealer networks—which was achieved in France at the end of 1982—will be completely achieved in Europe this autumn."

The products to which Parayre refers are the Peugeot 250 lower-medium hatchback and Citroen BX medium hatchback — two of the four chassis which will play a crucial role in PSA's strategy.

The strategy includes finding a solution to two possibly conflicting requirements: While standardizing components, PSA believes it is vital to retain the individual identities of each product line, particularly Peugoet and Citroen.

Says Parayre: "These products are completely different, the customers are different. We need to maintain the image and personality of the products to keep the customers with us.

"A main point for me, a few years ago, was whether or not it was possible to achieve these two goals — to standardize the components and to maintain the images," he adds. Now, with the 205 and BX, I think we have proved that it is possible."

Each line has some engines and transmissions in common. The Citroen's Hydropneumatic rear suspension design is the same as that on the Peugeot 305 station wagon. The only difference is Citroen's springs are hydraulic, while Peugeot's are conventional.

This points to the way PSA models will develop.

Will there be a Peugeot version on the BX chassis and a Citroen model on a 205 chassis, with different bodies and interiors?

While revealing much more than was generally known about PSA model policy, Parayre is reluctant to talk about specific product developments. "That's your deduction. That's a possibility," he replied to the question.

• Products are not the only part of PSA business undergoing a revolution. Recently opened and highly automated plants supply engines and transmissions to the whole group. Only two of the three promised new-generation engines have appeared so far, but they are already on half the group output.

Only last summer the Automobiles Peugeot Division (which now includes the Talbot line) adopted a radical approach to inventory control. With the aid of advanced computer systems it was able to reduce vehicle delivery time from five to three weeks. The customer not only receives the car quicker — but, more importantly, Peugeot is paid quicker. Cutting inventories was a group priority in the long struggle back to prosperity.

The Peugeot system may be common among other auto makers, but it represented a considerable breakthrough for PSA. Parayre says a similar system will be introduced by Citroen Division next year.

Another hurdle still to be leaped is introduction of a common wage policy for the group. PSA grew by acquisition, adopting different wage structures in the process.

It seems that recent management changes involving former Banque Nationale de Paris chief Jacques Calvet are part of this.

Calvet, president of Automobiles Peugeot, takes up a similar title at Automobiles Citroen and relinquishes his position as vice president of the PSA directorship.

Calvet now is in day-to-day charge of the two companies. Parayre, it would seem, is the strategist, Calvet the tactician.

• Jean-Paul Parayre is perhaps Europe's least known car boss. To some extent that stems from the secretive and conservative car group he joined in September 1974 as director in general management.

Parayre, 46, is an engineering graduate of *Ecole Polytechnique*. He held a number of civil service appointments in the highways department, social affairs, industrial and scientific development department. He served briefly in 1974 in management of the Vernes Bank in Paris; his PSA appointment followed.

It was an historic time for what had been a provincial, family-run PSA group. It had just taken on an ailing Citroen — with some prodding from the French government — to become another major force in Europe.

In September 1976 Parayre became director of PSA's Automobile Division; the group has other interests in cycles, motorcycles, machinery and transport. Six months later he became a member of the PSA directorship and at the end of June 1977 he became president.

The acquisition of Citroen had been achieved reasonably successfully, and PSA's ambitions led it to acquire the Chrysler Europe empire (production operations in Great Britain, France and Spain) in the summer of 1978.

PSA was the leading make in Europe at the time, but its troubles were beginning, just as an economic recession was starting.

Retrenchment followed. The original plan to run Talbot (Chrysler) as a separate identity was soon abandoned, and Talbot joined Automobiles Peugeot. The dealer networks now are being merged, and Peugeot and Talbot products are mixed within the factories.

With intense competition in the market place, PSA's diverse, overlapping product lines were squeezed by the opposition. Its market share plunged by one-third, to be overtaken by Renault, Fiat, Ford and Volkswagen.

PSA pulled out of Argentina and closed a Talbot plant at Linwood in Scotland. It disposed of financial interests in commercial vehicle operations of Chrysler to Renault Industrial Vehicles, and recently pulled out its stake in specialist vehicle maker Matra.

Huge annual deficits accumulated — some FF 5.6 billion (around $700 million at today's rates) in the three years ending in 1982. The group expected to break even this year, but labor disputes over planned jobs cuts and French price controls pushed the target to next year.

Those were dark years for the PSA group, when executives seldom spoke to the media. Consequently, the future of the PSA group was taken lightly.

There are signs of change now, prompted in part by improving PSA fortunes in France — and a demise of Renault's — and tangible evidence about its new product direction in the form of the 205 and BX.

Two of PSA's four chassis have bowed. There is no confirmation, but it's believed the third will be a smaller one ar-

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Peugeot S.A. president Parayre: Strategist.



Automobiles Peugeot/Citroen president Calvet: Tactician.

Goal is more U.S. sales

Broader 505 line plays key role

In the large U. S. car market, Peugeot S.A. group's presence is small. It seems like a lot of lost business for PSA, at a time when European rivals such as Daimler-Benz, Volvo and BMW are doing very well.

"Our intention is to increase our sales there (in the U. S.), but to keep the image of a European manufacturer of products of high technology," says PSA president Jean-Paul Parayre.

It indicates the opposite routes taken by the two big French auto makers — Renault (with financial links with American Motors) and PSA — in the largest single national market in the world.

Parayre traces Peugeot's presence in the U. S., from mainly a diesel auto retailer to introduction of the 505 gasoline sedan and station wagon models. "In the short term, our policy is to increase the sales of Peugeot through the 505, by diversifying its range with new versions, new engines and so on.

"With this policy we expect our 1984 sales to increase by 50 percent. The increase is important, the volume is less important, but the move is significant.

"In the medium term we will enlarge the range of cars in the U. S. by launching new models. But that's another story," says the president with a smile.

Is there a future for Citroen in the U. S.? Says Parayre: "Our policy is clear. We have to concentrate our efforts on one range of car and on one image, in order not to spread our money on to too many cars."

PRODUCTION OVERSEAS

FRANCE

Cars

	8 mos., 1983	8 mos., 1982
Peugeot	858,820	807,320
Citroen	363,013	329,720
Peugeot	372,714	340,483
Talbot	123,093	137,117
Renault	1,061,468	883,052
Total	1,920,288	1,690,372

Vans, trucks, buses

CBM	44	69
Peugeot SA	88,570	88,561
Citroen	20,468	18,957
Peugeot	54,822	61,651
Talbot	13,280	7,953
Renault	150,674	146,298
Sovam	50	55
Unic	4,240	3,783
Total	243,578	238,766
Total vehicles	2,163,866	1,929,138

JAPAN

Cars

	7 mos., 1983	7 mos., 1982
Daihatsu	112,968	78,557
Fuji	132,129	117,474
Honda	490,539	513,717
Isuzu	70,408	69,760
Mitsubishi	300,066	357,460
Nissan	1,095,766	1,069,618
Suzuki	70,783	51,153
Toyo Kogyo	522,872	497,369
Toyota	1,414,383	1,357,944
Total	4,209,914	4,113,052

Vans, trucks, buses

Daihatsu	202,699	200,015
Fuji	179,325	174,794
Hino	30,149	38,571
Honda	108,637	87,201
Isuzu	148,897	171,315
Mitsubishi	276,562	228,573
Nissan	385,034	367,925
Nissan Diesel	19,518	22,445
Suzuki	296,878	290,654
Toyo Kogyo	175,121	167,288
Toyota	543,190	553,704
Others	412	501
Total	2,366,422	2,303,723
Total vehicles	6,576,336	6,416,775

UNITED KINGDOM

Cars

	6 mos., 1983	6 mos., 1982
BL	240,679	231,717
Austin Rover	219,079	213,465
Jaguar	14,640	11,258
Range Rover	6,960	6,994
Carbodies	1,142	730
DeLorean	.....	1,287
Ford	174,141	174,515
Lotus	280	294
Reliant	47	43
Rolls-Royce	889	1,339
Talbot	66,773	22,773
TVR	128	60
Vauxhall	68,975	52,761
Others	350	293
Total	553,404	485,846

Vans, trucks, buses

Bedford	25,501	27,515
BL	46,182	44,881
Austin Rover	14,103	9,637
Land Rover	25,729	27,230
Leyland Veh.	6,350	8,014
ERF	777	1,002
Foden	327	363
Ford	55,724	59,751
Hestair Dennis	372	411
Karrier	2,514	3,561
MCW	196	162
Reliant	39	3
Seddon Atkinson	610	901
Others	404	283
Total	132,646	138,833
Total vehicles	686,050	624,679

SPAIN

Cars

	6 mos., 1983	6 mos., 1982
Citroen	64,101	51,261
Fasa-Renault	156,235	149,929
Ford	125,401	122,968
General Motors	109,111	.....
Seat	118,023	127,718
Talbot	30,910	30,009
Total	603,781	481,885

Vans, trucks, buses

CAF	.....	146
Citroen	12,442	21,522
Enasa	7,660	6,608
Fasa-Renault	16,869	15,118
Ford	3,381	3,948
Hispavinsa	1,684	1,686
Land Rover	11,551	6,439
Mercedes-Benz	5,306	8,020
Motor Iberica	9,756	8,903
Seat	13,385	1,150
Talbot	203	.....
Total	82,237	73,626
Total vehicles	686,018	555,511

REGISTRATIONS OVERSEAS

UNITED KINGDOM

Cars

	9 mos., 1983	9 mos., 1982
Alfa Romeo	6,761	7,034
BL	270,676	223,369
Austin Rover	262,849	216,211
Range Rover	2,152	1,996
Jaguar	5,676	5,162
BMW	20,663	19,449
Daihatsu	4,181	3,911
Fiat Auto	41,518	40,470
Ford	430,666	371,140
FSO	3,536	2,509
General Motors	211,118	141,928
Honda	14,781	12,735
Hyundai	2,997	2,243
Lada	15,700	13,557
Lotus	314	334
Mazda	14,969	12,029
Mercedes-Benz	11,228	10,064
Mitsubishi	7,283	7,142
Nissan	79,883	76,451
Panther	78	25
Peugeot SA	87,896	83,121
Citroen	20,821	20,110
Peugeot/Talbot	67,075	63,011
Reliant	75	92
Renault	51,021	53,469
Rolls-Royce	543	697
Saab	7,546	7,514
Skoda	9,265	7,139
Subaru	2,570	2,101
Suzuki	2,667	2,109
Toyota	25,759	22,123
VAG	82,662	74,187
Volvo	50,134	41,739
Zastava	3,436	2,380
Others	4,126	2,896
Total	1,464,052	1,244,011

Vans, trucks, buses

BL	42,171	31,249
Daf	1,971	1,548
Daihatsu	2,898	2,865
ERF	964	999
Fiat Auto	2,845	1,759
Foden	485	405
Ford	67,442	63,744
FSO	470	361
General Motors	28,030	23,756
Hestair Dennis	472	449
Honda	1,993	1,768
Hyundai	865	218
IVECO	2,101	1,749
Karrier	3,569	3,797
Mazda	2,166	1,481
MCW	311	145
Mercedes-Benz	7,827	6,027
Mitsubishi	1,838	893
Peugeot SA	7,181	4,988
Nissan	4,515	3,621
Renault	4,695	3,399
Scania	1,372	1,153
Seddon Atkinson	1,274	1,376
Subaru	1,335	1,479
Suzuki	1,371	625
Toyota	4,288	2,973
VAG-MAN/MAN	7,961	8,384
Volvo	3,355	2,978
Others	770	1,043
Total	206,535	175,232
Total vehicles	1,670,587	1,419,243

SWEDEN

Cars

	9 mos., 1983	9 mos., 1982
Alfa Romeo	562	415
BMW	2,820	2,663
Daihatsu	743	982
Fiat Auto	3,881	3,114
Ford	14,871	15,615
General Motors	14,238	15,155
Honda	2,198	3,137
Lada	1,455	2,118
Mazda	8,893	7,244
Mercedes-Benz	3,339	4,248
Mitsubishi	1,119	1,020
Nissan	4,161	4,130
Peugeot SA	4,468	3,947
Porsche	151	127
Renault	1,626	1,732
Saab	20,545	20,591
Skoda	279	323
Subaru	433	243
Toyota	6,012	5,782
VAG	16,156	18,865
Volvo	41,734	38,840
Others	23	34
Total	149,708	151,068

WEST GERMANY

Cars

	8 mos., 1983	8 mos., 1982
Alfa Romeo	8,600	7,941
Bertone	1,129	393
BL	3,481	2,859
BMW	110,351	92,167
Daihatsu	4,432	3,986
Fiat Auto	71,232	67,094
Ford	207,422	166,528
General Motors	327,495	284,426
Honda	22,929	23,154
Isuzu	659	.....
Lada	5,729	4,465
Mazda	41,682	27,888
Mercedes-Benz	172,991	160,300
Mitsubishi	27,236	24,190
Nissan	32,207	28,648
Peugeot SA	67,484	65,074
Citroen	31,276	28,730
Peugeot	19,409	16,838
Talbot	16,799	17,589
Pininfarina	518	99
Porsche	8,439	7,228
Renault	61,601	63,965
Saab	2,537	1,945
Seat	324	.....
Skoda	1,129	928
Subaru	3,496	2,570
Suzuki	9,530	7,558
Toyota	35,049	27,131
VAG	487,038	451,819
Audi	124,351	87,051
Volkswagen	362,687	364,768
Volvo	10,475	8,190
Others	909	1,051
Total	1,725,688	1,532,004

AUSTRIA

Cars

	8 mos., 1983	8 mos., 1982
Alfa Romeo	2,132	1,967
BL	353	513
BMW	6,598	5,637
Daihatsu	730	219
Fiat Auto	10,513	8,988
Ford	14,803	11,606
General Motors	23,851	20,993
Honda	3,161	2,147
Lada	1,183	1,490
Mazda	19,882	14,026
Mercedes-Benz	5,861	3,449
Mitsubishi	3,317	2,800
Nissan	11,790	8,460
Peugeot SA	10,990	10,691
Citroen	4,871	4,542
Peugeot/Talbot	6,119	6,149
Porsche	393	300
Renault	8,330	8,461
Saab	348	371
Seat	92	.....
Skoda	668	193
Subaru	2,567	1,872
Suzuki	726	584
Toyota	6,194	4,945
VAG	35,141	29,979
Volvo	2,728	2,189
Others	30	99
Total	174,381	141,978

DENMARK

Cars

	8 mos., 1983	8 mos., 1982
Alfa Romeo	240	129
BL	71	414
BMW	1,673	1,429
Daihatsu	1,982	752
Fiat Auto	4,074	3,247
Ford	11,802	10,409
FSO	433	232
General Motors	11,480	9,636
Honda	888	527
Lada	3,652	4,002
Mazda	9,302	6,313
Mercedes-Benz	535	686
Mitsubishi	736	783
Nissan	5,415	2,688
Peugeot SA	5,682	4,453
Citroen	3,151	2,131
Peugeot/Talbot	2,531	2,322
Renault	482	544
Saab	1,449	1,329
Skoda	5,597	5,652
Subaru	200	171
Toyota	7,968	4,357
Trabant	106	1
VAG	3,845	3,902
Volvo	2,769	2,322
Wartburg	756	181
Others	6	13
Total	80,785	64,661

JAPAN

Cars

	7 mos., 1983	7 mos., 1982
Daihatsu	67,568	45,696
Fuji	46,375	45,644
Honda	136,240	135,551
Isuzu	37,168	34,547
Mitsubishi	106,795	146,579
Nissan	506,238	505,403
Suzuki	53,651	40,559
Toyo Kogyo	150,832	143,018
Toyota	741,355	702,049
Imports	20,770	20,561
Total	1,866,992	1,819,607

Vans, trucks, buses

Daihatsu	159,564	153,713
Fuji	120,564	110,426
Hino	21,282	22,258
Honda	97,565	81,364
Isuzu	68,815	73,784
Mitsubishi	180,186	162,387
Nissan	168,196	180,723
Nissan Diesel	11,039	10,999
Suzuki	219,703	217,165
Toyo Kogyo	88,143	87,099
Toyota	219,633	219,132
Imports	.....	1
Total	1,354,636	1,319,051
Total vehicles	3,221,628	3,138,658

FRANCE

Cars

	6 mos., 1983	6 mos., 1982
Alfa Romeo	13,957	13,873
BL	15,615	14,501
BMW	16,049	16,358
Ferrari	82	67
Fiat Auto	47,509	47,965
Ford	75,826	61,242
FSO	1,059	824
General Motors	40,733	24,124
Honda	4,036	4,468
Lada	12,821	11,547
Mazda	6,988	7,494
Mercedes-Benz	7,901	8,342
Mitsubishi	1,891	1,885
Nissan	8,410	7,985
Nuova Innocenti	893	382
Peugeot SA	351,230	337,976
Citroen	143,410	137,975
Peugeot	153,460	133,659
Talbot	54,360	66,342
Porsche	880	777
Renault	374,292	416,757
Saab	368	76
Seat	18	1
Skoda	2,870	1,985
Toyota	6,829	5,779
VAG	62,184	56,202
Volvo	7,139	5,646
Zastava	988	381
Others	91	44
Total	1,060,660	1,056,771

BELGIUM

Cars

	6 mos., 1983	6 mos., 1982
Alfa Romeo	2,664	2,463
Aro	12	6
Bertone	29	5
BL	3,052	3,307
BMW	6,318	7,812
Chrysler	15	41
Daihatsu	1,116	922
Ferrari	16	10
Fiat Auto	11,553	11,757
Ford	15,697	20,002
General Motors	22,440	21,803
Honda	5,711	7,501
Hyundai	601	570
Lada	9,490	10,493
Mazda	6,981	7,217
Mercedes-Benz	5,731	5,235
Mitsubishi	6,158	6,852
Nissan	10,369	7,838
Peugeot SA	27,643	29,062
Citroen	13,545	13,125
Peugeot	8,129	8,945
Talbot	5,969	6,992
Pininfarina	12	.....
Porsche	323	340
Renault	16,539	20,132
Saab	730	598
Seat	174	1
Skoda	1,566	1,292
Subaru	1,343	707
Suzuki	1,629	807
Toyota	13,722	12,659
VAG	24,769	26,820
Volga	151	119
Volvo	4,218	4,293
Wartburg	622	485
Zastava	193	71
Total	201,641	212,249

West German exports drop in first half

West German vehicle makers increased their European business in the first half of 1983 while their exports went into reverse.

The world's second-largest auto industry export machine recorded a decline of 5 percent to $11.76 billion in exports in the first half compared with a year earlier.

With domestic sales bouyant once more, however, (revenue was up 11 percent to $9.92 billion) the industry is aiming at matching 1983 production. That would mean around 4.1 million units and income of $49 billion.

In first-half 1983 West Germany produced 2.19 million vehicles, down 3.2 percent from a year earlier. Exports totaled almost 1.23 million, down 4.9 percent.

German producers slightly improved exports to European destinations to 1.01 million. As a result the country — already with a heavy bias toward European markets — became even more closely involved there.

More than four out of five German exports (82.6 percent) reached other European destinations in the first half of this year. A year earlier the proportion was 78.2 percent.

Shipments to Africa, the Middle East, Asia, Oceania and North, Central and South America were down.

There was a 29 percent decline to 105,000 in vehicles destined for the U. S. As a result, the U. S. slipped to fourth place behind the UK (296,000), France (158,000) and Italy (114,000). No other country received more than 100,000.

Japan received 12,000 German vehicles — three-quarters of all of Japan's imports.

West German vehicle exports by continent

	6 mos., 1983	6 mos., 1982
Europe	1,013,169	1,008,372
Economic Com.	776,431	768,325
Africa	25,469	39,654
N, C & S America	118,342	164,871
Asia (inc. Mid East)	64,973	71,039
Oceania	4,615	5,811
Total	1,227,174	1,290,138

West German vehicle exports by country: 6 months, 1983
(1982 position in parantheses)

1	UK	295,924	(1)
2	France	157,926	(2)
3	Italy	113,590	(4)
4.	U. S.	105,805	(3)
5	Holland	93,952	(5)
6	Belgium/Lux	81,363	(6)
7	Austria	64,319	(8)
8	Switzerland	55,934	(7)
9	Sweden	35,598	(9)
10	Norway	25,087	(10)
11	Denmark	21,067	(12)
12	Spain	19,980	(15)
13	Finland	15,951	(13)
14	South Africa	14,763	(11)
15	Yugoslavia	12,181	(16)
16	Japan	12,025	(17)
17	Iran	10,955	(24)
18	Israel	8,947	(22)

Source: VDA, Frankfurt

The perplexing Jaguar sale

Anybody want to buy an auto company?

By Richard Feast
European Editor

Anybody in Detroit want to buy Jaguar, the British auto firm?

It will be for sale. But the vital facts—which are not widely known, even within the parent BL group—are to whom, when and for how much. Jaguar Cars Ltd. chairman John Egan says enigmatically that the company is worth "either nothing or a helluva lot."

The affair has been thrust into the public spotlight by a number of events. First was the solid return to power for a third term of Prime Minister Margaret Thatcher's Conservative government, totally committed to returning state-owned assets (such as BL, of which Jaguar is part) to private industry.

This was against a background of steadily improving Jaguar fortunes. Three years ago the company was losing two million pounds a week. Today it is producing and selling near record levels and, while its financial position is hidden within the corporate books, it is undoubtedly a prosperous auto maker.

Investments needed to see Jaguar well into the next decade have been made, courtesy of British tax payers. The latest is a $75 million plan to robotize its factories during the next five years.

This follows introduction of the six-cylinder AJ6 engine, only Jaguar's third new power plant since World War II. It is first going into XJ-S coupes and cabriolets, and next year will be the mainstay power unit for an all-new XJ40 sedan.

Jaguar has become very efficient, producing more cars with far fewer people. The story has been well documented. Less well known is that the company is now all-but autonomous with its own R&D, purchasing, financial controls, sales, marketing, product planning and manufacturing.

In other words, it is a salable unit, which it wasn't as part of BL cars with Austin, Morris, Triumph, MG and Rover.

• In mid-September BL's six-month 1983 financial report showed a $2 million sales profit, its first in four years and a sharp contrast to the $90 million-plus loss a year earlier.

Interest, tax and other deductions, however, gave BL a net loss of $73 million in first-half 1983, a third the size of the deficit for first-half 1982. Positive contributors this year were car and component operations, Austin Rover, Jaguar and Unipart. Land Rover Division was in a state of decline and Leyland Vehicles' financial status was horrible.

Austin Rover was probably profitable due to a bouyant UK market and a good market reception given the new Maestro; but the main contributor to car profits likely was Jaguar, although to what degree will not be known until BL's full-year finances are published next March. Then, for the first time, a breakout by divisions is promised.

At this point, analysts are saying Jaguar's value is likely to be as much as 12 times earnings. But how much is that?

All the unknowns are generating a fierce amount of speculation and rumor. Prime among them is a management buy-out backed by local investors.

Other routes could be a private flotation on the Stock Exchange or a straight sale to another group. Plenty of auto makers around the world would like to have the prestigious Jaguar name to bolster their luxury lines: General Motors, Ford, Chrysler, Peugeot, Renault, Fiat and all of the Japanese, for instance. But many could not afford the purchase at present (the European) and many would be politically unacceptable (the Japanese). That leaves the Americans.

Any purchaser would need to have substantial financial reserves. The immediate investment in product (engine and car) and plant (engine factory) have been made. But Jaguar will need plenty of cash to develop its next generation of products. The company undoubtedly is earning money at present from sales, but to a large degree as the result of the dollar/sterling exchange rate.

One Jaguar rival calls selling in the U.S. these days the equivalent of being given a license to print money. With a U.S. presidential election in the offing, the feeling in Europe is the dollar will remain strong; still, swings of a few cents can greatly upset calculations.

With well over half its production going for export in the U.S., Jaguar is aware that it could be hurt by an unfavorable shift in exchange rates. This is one reason for the major sales push into the rest of Europe, in particular to the home country of its two major rivals, Daimler-Benz and BMW.

The final unknown in the Jaguar sale is timing. Most bets are going on spring 1985. The main reason is that the government's busy privatization schedule is dominated by the sale of British Telecom in the fall of 1984 and of British Airways a year later. It would have to fit smaller commitments, such as the Royal Ordnance Factories, Cable and Wireless, British Ports and anything to do with BL, around the big ones.

By next spring, Jaguar's new sedan will not have been launched. The company has not officially said when in 1984 it will be unveiled, but everyone was led to believe it would be early. It now looks more like the latter part of 1984.

The appearance of the new car in fall 1984 will stimulate even greater demand for Jaguar products; after six months the money would be rolling in, the order book would be fat and Jaguar would look all the more attractive.

All of this assumes that XJ40 will not be a dud. Jaguar may be small—just 28,500 cars this year—but it has built an engine line to produce double that, and a second shift could see Jaguar churning out 60,000 a year within five years thanks to the robot plan. By luxury car standards, these are impressive numbers. The vast majority will be XJ40s with the new engine, unveiled a few weeks ago in 24-valve, 3.6-liter form in the latest XJ-S coupe and cabriolet. The models go on sale in the UK toward the end of this year. The European debut will be in January at the Brussels auto show. Two models will head into the U.S. starting next spring.

Next year's XJ40 will be similar in size and styling to current XJ sedans, but will be lighter, and more economical to operate and much cheaper to produce.



New Jaguar XJS with 3.6-liter engine.

Jaguar Cars' world volume up 42 percent

Jaguar Cars' world sales in the first half of 1983 totaled 14,528, 42 percent better than volume a year earlier.

North American sales — all but 200 of them in the U. S. — were 71 percent higher at 7,933.

Six-month sales in the domestic UK market of 3,541 were 8 percent above last year.

In the rest of Europe, Jaguar sold 1,744 cars (36 percent more); the increase in the rest of the world (including the Middle East, Australia and Japan) was of 26 percent to 1,280.

With 14,658 cars built during the first half of 1983, Jaguar production was 25 percent higher than last year. The six-month figure was above annual totals for each of the three years 1979, 1980 and 1981.

Jaguar turns to Japanese for robots

Jaguar Cars is turning to Japanese technology to robotize its low-volume luxury car plants.

The agreement was signed by the UK auto maker; Dainichi Kiko, of Japan, and the British-owned Dainichi Sykes Robotics, Ltd., a company specializing in automated manufacturing systems.

It is believed to represent the first use of robotics by a low-volume manufacturer. This year, Jaguar will build 28,500 units though there are contingency plans to double output to 60,000 within five years.

This new technology agreement is a clear indication of how Jaguar intends to reach such numbers: By purchasing the latest and best in automated, flexible systems.

It represents $75 million worth of orders for Diancho Kiko. Up to a third of the cost could be paid by the government under an innovation grants plan.

Initially, robots will be imported from Japan, but the plan is gradually to transfer manufacturing to Dainichi Sykes' Lancashire factory.

The equipment will be installed in Jaguar's factories over the next five years. The company has three main units: A body plant at Castle Bromwich, an engine factory at Radford and final assembly and trim at Browns Lane, Coventry.

The company has a new six-cylinder engine (AJ6) and will have a new sedan within 18 months (XJ40).

The stream of positive news from Jaguar over the past two or three years is renewing interest in how and when it will be transferred from state ownership under BL to private industry.

Peugeot

Continued from Page 29

riving in 1985, and the fourth will be the biggest one, coming in 1986 or 1987.

Two of the three transmissions and two of the three engines have appeared. The others should show up within a couple years, though PSA will continue with what it calls "one-third of an engine," the V-6 jointly produced by Peugeot and Volvo.

Concentration will be on the Peugeot and Citroen names, though PSA officials insist the Talbot label will remain in the lower and lower-medium end of the market.

It is even believed that production of a "baby" Talbot is a current topic of discussion between PSA and the British government. Talbot UK was bitterly disappointed in not getting the 205 to assemble. The present ambition of the company — which recently returned to profitability — is to produce (along with a French factory) a small car some time from 1985 on.

Discussions between the two parties will result in some sort of decision "by the end of this year," predicts Parayre. Using the UK as a source for European demand, just as it has plans for its Spanish operation, is part of PSA's medium- and long-term consideration, he says.

While PSA's internal structure is being reorganized and reshaped, it is the new-product programs which give PSA most comfort as it looks ahead. "Our knowledge of the future product program is the cornerstone of our confidence in the future," says Parayre. His relaxed manner was that of a man whose major worries are past.





The mid-market Citroen BX (top photo) and lower-medium segment Peugeot 205 (bottom photo) play crucial roles in Peugeot's product strategy.

How Europe's market shares have changed

Group	6 mos., 1983	6 mos., 1982	1982	1981	1980	1979
BL	3.8	3.7	3.9	4.0	3.5	4.1
BMW	3.0	2.8	2.7	2.7	2.5	2.5
Fiat Auto	12.1	12.8	12.3	12.7	11.8	10.0
Ford	12.6	11.9	12.3	12.2	11.1	12.0
General Motors	11.5	9.7	9.6	8.3	8.7	9.6
Japanese (all)	9.9	9.0	9.5	9.6	9.8	7.3
Mercedes-Benz	3.2	3.1	3.2	3.4	3.3	3.0
Peugeot SA	11.8	12.9	12.3	13.1	14.6	17.1
Renault	12.3	14.2	14.4	13.7	14.9	13.5
VW group	12.1	12.4	11.9	12.8	11.8	12.2
Volvo	2.1	1.9	2.0	1.9	1.9	2.0
Total (units)	5.755m	5.483m	10.037m	9.844m	9.967m	10.330m

Approximate new-car market shares, obtained from industry sources, illustrate the decline of Peugeot group since adding Chrysler Europe (1978) and Citroen (1974).

How domestic production was shared

U. S. CAR MODEL-YEAR OUTPUT, '83 VS. '82

	1983 Model Year	Pct. of Output	1982 Model Year	Pct. of Output	Pct. of Change '83 vs. '82
AMERICAN MOTORS	168,726	2.92	70,898	1.30	+ 1.62
AMC Total	26,521	0.46	70,898	1.30	− 0.84
Concord	5,300	0.09	33,693	0.62	− 0.53
Spirit	3,491	0.06	20,182	0.37	− 0.31
Eagle/SX4	17,730	0.31	17,023	0.31	0.00
Renault Total	142,205	2.46	.....	0.00	+ 2.46
Alliance	142,205	2.46	.....	0.00	+ 2.46
CHRYSLER CORP.	737,835	12.79	592,605	10.88	+ 1.91
Plymouth Total	273,489	4.74	247,936	4.55	+ 0.19
Horizon	94,829	1.64	85,356	1.57	+ 0.07
Reliant	174,170	3.02	162,580	2.98	+ 0.04
Caravelle	4,490	0.08	.....	0.00	+ 0.08
Chrysler Total	159,882	2.77	103,310	1.90	+ 0.87
LeBaron	78,970	1.37	103,310	1.90	− 0.53
E-Class	43,305	0.75	.....	0.00	+ 0.75
New Yorker (fwd)	37,607	0.65	.....	0.00	+ 0.65
Dodge Total	304,464	5.28	241,359	4.43	+ 0.85
Omni	101,514	1.76	82,003	1.50	+ 0.26
Aries	136,440	2.37	125,016	2.30	+ 0.07
Dodge 400	28,413	0.49	34,340	0.63	− 0.14
Dodge 600	38,097	0.66	.....	0.00	+ 0.66
FORD MOTOR	1,243,887	21.57	1,162,642	21.34	+ 0.23
Ford Division	783,225	13.58	748,732	13.74	− 0.16
Escort	244,780	4.24	318,418	5.85	− 1.61
Fairmont	80,833	1.40	127,739	2.34	− 0.94
Mustang/Mustang II	120,873	2.10	130,418	2.39	− 0.29
LTD/Granada	155,758	2.70	120,323	2.21	− 0.49
Thunderbird	121,999	2.12	45,142	0.83	+ 1.29
Crown Victoria/Ford	56,736	0.98	.....	0.00	+ 0.98
EXP	2,246	0.04	6,692	0.12	− 0.08
L-M Division	460,662	7.99	413,910	7.60	+ 0.39
Mercury Total	359,594	6.24	328,597	6.03	+ 0.21
Lynx	69,497	1.21	100,113	1.83	− 0.62
Capri	25,376	0.44	36,134	0.66	− 0.22
Zephyr	25,203	0.44	39,092	0.72	− 0.28
Marquis/Cougar	67,358	1.17	56,950	1.05	+ 0.12
Cougar/XR7	75,743	1.31	16,867	0.31	+ 1.00
Grand Marquis/Mercury	95,118	1.66	11,151	1.42	+ 0.24
LN7	699	0.01	2,284	0.04	− 0.30
Lincoln Total	101,068	1.75	85,313	1.57	+ 0.18
Continental	16,831	0.29	23,908	0.44	− 0.15
Lincoln	53,381	0.93	35,069	0.65	− 0.28
Mark VII	30,856	0.53	26,336	0.48	+ 0.05
GENERAL MOTORS	3,511,491	60.87	3,516,326	64.55	− 3.68
Buick Division	808,416	14.01	739,984	13.58	+ 0.43
Skylark	104,647	1.81	144,560	2.65	− 0.84
Skyhawk J	63,152	1.09	47,918	0.88	+ 0.21
Century	127,926	2.22	102,965	1.89	+ 0.33
Regal	228,239	3.96	225,418	4.14	− 0.18
Buick	234,218	4.06	175,052	3.21	+ 0.85
Riviera	50,234	0.87	44,071	0.81	+ 0.06
Cadillac Division	292,814	5.08	235,584	4.33	+ 0.75
Cimarron	19,294	0.33	25,968	0.48	− 0.15
Seville	30,430	0.53	19,998	0.37	+ 0.16
Eldorado	67,416	1.17	52,018	0.95	+ 0.22
Cadillac	175,674	3.05	137,600	2.53	+ 0.52
Chevrolet Division	1,175,200	20.37	1,297,357	23.82	− 3.45
Chevette	169,563	2.94	243,463	4.47	− 1.53
Cavalier	218,588	3.79	195,024	3.58	+ 0.21
Celebrity	105,923	1.84	92,314	1.69	+ 0.15
Camaro	154,381	2.68	178,808	3.28	− 0.60
Citation	92,211	1.60	165,647	3.04	− 1.44
Malibu	117,426	2.02	116,125	2.13	− 0.11
Monte Carlo	96,319	1.67	92,391	1.71	− 0.04
Chevrolet*	220,789	3.83	188,178	3.45	+ 0.38
Corvette	.....	0.00	25,407	0.47	− 0.47
Oldsmobile Division	916,583	15.89	702,340	12.89	+ 3.00
Omega	53,926	0.93	77,469	1.42	− 0.49
Firenza	40,752	0.71	30,108	0.55	+ 0.16
Cutlass	271,892	4.71	194,337	3.57	+ 1.14
Cutlass/Ciera	169,650	2.94	101,320	1.86	+ 1.08
Oldsmobile	340,758	5.91	265,178	4.87	+ 1.04
Toronado	39,605	0.69	33,928	0.62	+ 0.07
Pontiac Division	318,478	5.52	541,061	9.93	− 4.41
Acadian†	11,640	0.20	10,655	0.20	0.00
2000	78,329	1.36	118,859	2.18	− 0.82
1000	25,977	0.45	44,469	0.82	− 0.37
Firebird	74,884	1.30	116,364	2.13	− 0.83
Phoenix	27,493	0.48	49,165	0.90	− 0.42
Bonneville	54,414	0.94	80,440	1.48	− 0.54
Grand Prix	40,165	0.70	80,650	1.48	− 0.78
A6000	5,576	0.09	40,459	0.74	− 0.65
HONDA	33,508	0.58	.....	0.00	+ 0.58
VOLKSWAGEN	73,446	1.27	102,664	1.89	− 0.62
CHECKER	.....	0.00	2,000	0.04	− 0.04
Total Cars, U. S.	5,768,893	100.00	5,447,135	100.00	.....

*—Standard Chevrolet total includes Canadian production.

†—Acadian built for sale in Canada only.

Three states mull seat-belt bills

ANN ARBOR, Mich. — Michigan, Rhode Island and Minnesota are in a dead-heat race to be the first with a compulsory seat belt law.

Diane Steed, administrator designate, NHTSA, said New York requires holders of learner permits to wear belts. That affects about 900,000 drivers at any given time.

That state, too, by administrative action, increased mandated use of restraints to children aged 10 from eight.

Steed told a meeting of car maker technical representatives here that nationally child restraint use stands at about 27 percent. However, she said some 70 percent of those restraints are used improperly. Most mistakes stem from lack of tether use, she said.

She said 40 states and the District of Columbia have child restraint laws. About half those laws were enacted this year, she said.

Car production gains 5.91 pct.; total is 5,768,893

Output rises for '83 model year

By Mary Beth Mayer
Staff Writer

Auto production during the 1983 model year was 5.91 percent higher than the '82 model year, when output was the lowest in 21 years.

The car manufacturers produced 5,768,893 units during the 1983 model run, up from 5,447,135 in the comparable 1982 period. The 1983 total was the second lowest model-year output since 5,407,256 units were completed in 1961.

During the '83 model year, American Motors, Chrysler Corp. and Ford Motor Co. recorded rises in production, while Volkswagen of America and General Motors suffered declines.

Checker Motors ceased production in July, 1982; Honda began building Accords in the U. S. last November.

AMC's addition of the Renault Alliance to its production of homegrown models in Kenosha, Wis., more than doubled the maker's output. AMC's model-year total soared 137.99 percent, from 70,898 to 168,726.

Chrysler Corp. wrapped up the model year with 737,835 cars, 24.51 percent above the previous year's 592,605, but still below the 791,258 cars completed in '81.

Ford, the third auto maker which increased its model-year output, finished with 1,243,887 units, up 6.99 percent from 1,162,642 in 1982. Ford's total was also below its 1981 mark of 1,395,594.

Volkswagen of America plunged to 73,446 cars in the 1983 model run, a 28.46 percent decline from 102,664 built in '82.

Because of production losses at Pontiac and Chevrolet, GM's output fell off slightly in the '83 model year, from 3,516,326 to 3,511,491.

New nameplates for 1983 include Renault Alliance, Chrysler E-Class and New Yorker (FWD) and Dodge 600.

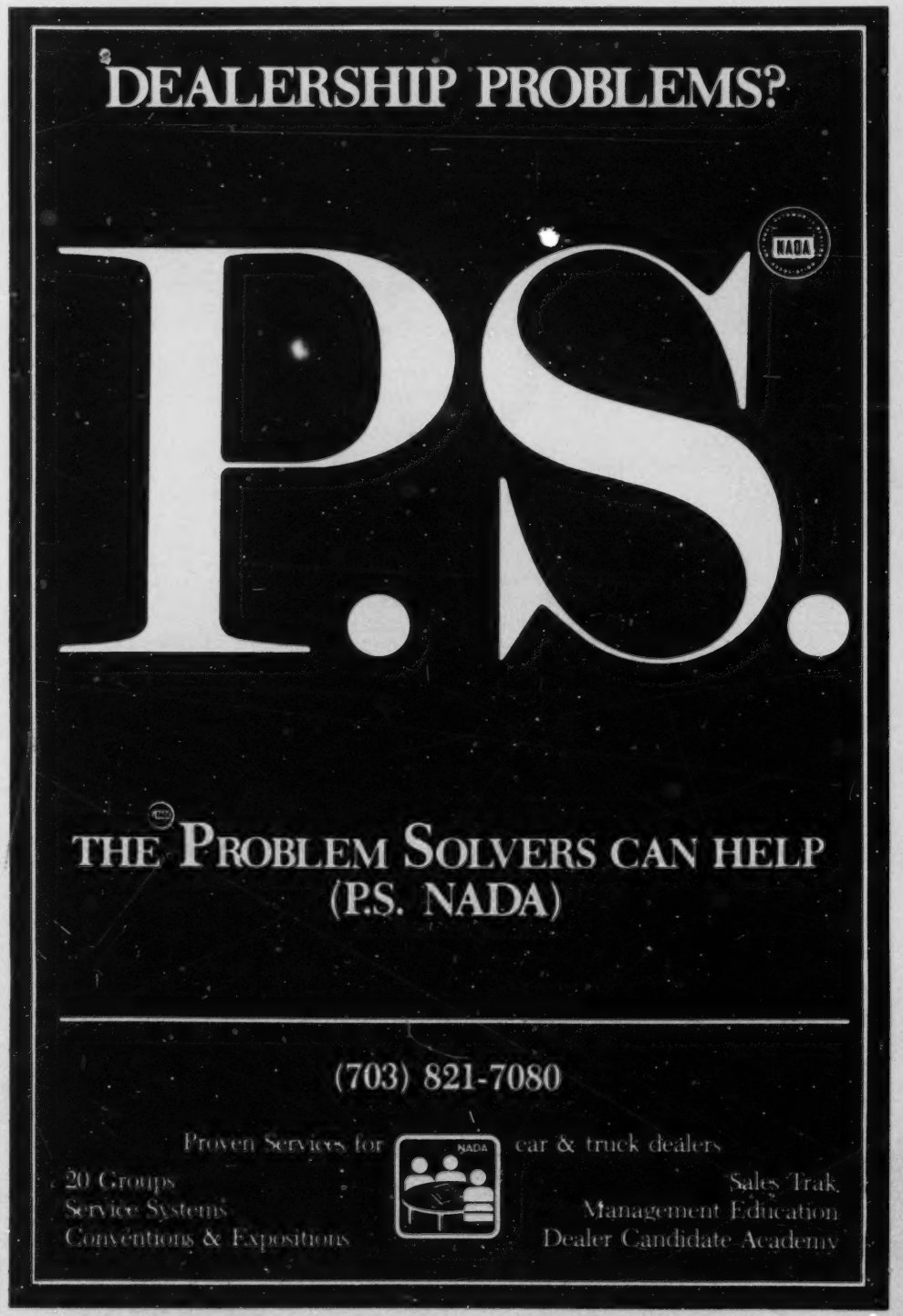
The manufacturers introduced the Ford Tempo, Mercury Topaz and Chevrolet Corvette last spring as '84 models. Production of those cars was not reported for inclusion in the total '83 model-year production.

Chrysler to use Motorola stereo

SCHAUMBURG, Ill. — Motorola, Inc., announced that its C-QUAM AM Stereo broadcasting system will be used next year in the radios Chrysler Corp. builds at its Huntsville (Ala.) electronics plant and installs in its cars and trucks.

Radios equipped with the C-QUAM chip and circuitry are able to receive broadcast signals in stereo from AM stations using the system.

Chrysler-built radios are installed as standard equipment in more than 80 percent of Chrysler's domestic cars and more than 65 percent of the company's trucks.



Division sees its role as THE key factor in auto market

GM electronics unit a hard charger

Continued from Page 18

ity, as well as reduced cost," he said.

Of greater interest to many in the audience were McMillin's remarks on powertrain controls.

Present computers, designed to handle basic engine control functions, are being extended to the limits of their capability. New and more powerful computers are needed, he said.

He touched on how electronic subsystems have been evolving, using the GM custom microcomputer chip set as an example. It has been upgraded and refined with added custom circuits while costing less at the same time.

Used Car Sales
Auction Averages

November to date	$5,161
Month ago	$4,864
Year ago	$4,636

Electronic controls for the first GM throttlebody injection (TBI) in 1982 required three circuit boards. The number required by engine control modules (ECM) was reduced to two in 1983.

"In 1984, a large number of our ECM's will be of a one-circuit-board design with a 38 percent additional reduction in size, a 37 percent added reduction in cost, and a projected 65 percent increase in reliability," McMillin said.

• GM has been highly innovative in its use of body computer systems—as opposed to engine control and comfort and entertainment systems.

In the next few years, body computer systems will be at work in suspension, lighting, steering and theft-deterrent systems. They'll provide only a single function or maybe multifunctional.

For example, an ant theft system might monitor glass breakage, vehicle tilt, hood tampering, ignition disabling, keyboard entry system and siren.

Delco body computers are controlling, or will control, cruising speed, passenger compartment temperature, body diagnostics, vehicle status and other zeal time functions.

"The 1984 Cadillac C-car has the first multifunction body computer system," McMillin said. "While the integration is transparent to the driver, this system is the springboard for follow-on, very visible systems.

"It is a multiprocessor-distributed system, which consists of a body computer module, two display heads, the climate control panel and fuel data center, and the engine control module connected by a bidirectional serial data link," he said.

In the earliest Cadillac throttle body fuel injection systems, a one-direction data link was used. Some data for the engine control system was extracted for use by the engine control system.

In the 1984 Cadillacs, however, a bidirectional system is used with information coming into the body computer being used by engine control and vice versa with engine control data used in the body computer system.

McMillin called the '84 arrangement an evolutionary step in elevating the Cadillac system into some very exciting electronic possibilities in the future.

Model breakdown
Auction Averages

	NOVEMBER TO DATE	OCTOBER	SEPTEMBER
1983	$ 9,838	$10,112	$ 9,960
1982	7,098	7,653	7,529
1981	5,738	6,114	6,179
1980	4,838	5,185	5,193
1979	4,354	4,386	4,513
1978	3,184	3,316	3,405
1977	2,633	2,365	2,523
1976	1,781	1,868	1,811
Overall Average	$ 5,161	$ 5,241	$ 5,190

Connecticut L-M deal building new quarters

MIDDLETOWN, Conn.—Town and County Auto Sales (Lincoln-Mercury) is building a new dealership on land adjacent to its present Newfield St. location.

President Michael Augeri recently received a 25-year award from L-M.

Rowand report

Continued from Page 18

much less expensively than by conventional circuits.

"By 1985 we will save about $2 million a year in this traffic," Roark said.

As volume mounts, costs may be about half what they would be using old-fashioned communications.

"We think the margin of savings will increase further during the '80s, so it's going to be attractive economically as far ahead as we can see," he said.

The new system will allow much faster communication than now is possible.

• Said Roark: "In computer-computer traffic we normally talk in terms of bits-per-second. The fastest data now for the Ford net is 9,600 bits per second. With the satellite, we'll be able to send at 56,000 bits per second and it will be possible to go to 1.5 million bits per second.

"That means we'll immediately be able to transmit data about six times as fast as we can now and, potentially, we could speed it up to 180 times as fast. That will be important as more business becomes oriented to telecommunications.

As an example of that orientation, Roark cited Ford's body and assembly operations where computer functions are being centralized in Dearborn. That will lead to what he called a tremendous amount of traffic between distant points and Dearborn.

Videoconferencing will be another job for the system.

By mid-1984, too, Ford hopes to be videoconferencing with European points via satellite.

The company has been active in videoconferencing in the U.S., but costs have escalated from about $200 an hour a few year's ago to around $1,000 an hour today. Roark said the satellite will slash those costs in half right off the bat and perhaps to as low as $200 an hour eventually.

Accuracy will be enhanced dramatically with digital transmission by satellite compared with analog now. Effective throughput will be enhanced, as they say in the computer game.

Now, because of error, throughput is about at about 80 percent efficiency. With the satellite and digital data transmission, efficiency should jump to 99 percent.

SBS has three satellites in orbit now and will launch two more in the near future. They send data at a rate of 48 million bits a second. It's all digital and the quality is superb, said Roark.

SBS is a joint venture of IBM, Aetna and COMSAT. Its satellites are made by Hughes Aircraft. Intelsat V is made by Ford Aerospace & Communications Corp.

Farish family awarded 25-year dealer pin

WASHINGTON, N. C. — Mrs. R. E. Farish Sr. and R. E. (Bob) Farish Jr. received a silver anniversary diamond pin for 25 years of dealer service from Ford Motor Co.

The Farish family had a Ford-Lincoln-Mercury dealership here from 1954 to 1980. The late Bob Farish Sr. became a dealer in 1954 with Hoell-Farish Motor Co. and later established Bob Farish Motor Co.

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But it faces tough sledding in Senate

Local-content measure is passed by House

Continued from Page 1

enough to add several quick amendments. One requires a study by the Secretary of Transportation into the imbalance between the dollar and the Japanese yen.

Another amendment adds two additional consumer representatives to the U. S. Automobile Advisory Council that would be created by the bill.

• Following passage, sponsor Richard Ottinger, New York Democrat, said the bill will be able to pass the Senate if the U. S. experiences a "continued erosion of our industrial base."

He said Republican senators up for reelection next year would be hard pressed to vote against the bill, but conceded it would be a "difficult task" to win enactment.

Ottinger said the bill had been effective in winning the new voluntary restraint agreement with Japan and that the "House had the wisdom to keep this tool."

UAW President Owen Bieber said the vote "means we may have a small-car industry in this country" and that the bill would be a "proper subject for debate in the upcoming Presidential elections."

Extra push of the local content measure came from the somewhat unexpected hand of Ford Motor Co. It was learned during debate that Ford officials had urged some Congressmen to vote for the bill. Ford's position was that passage would signal the Japanese to address currency imbalance and other unfair trade practices.

The measure cleared the House last year in the final days of the 97th Congress by a vote of 215 to 188. It was brought back again this year, although support for the bill cooled as the auto industry began to reap the benefits of lower interest rates and the general economic recovery.

The bill is designed to curtail job loss from the growing acceptance of import automobiles in the U. S. by encouraging foreign firms to invest in American automobile and auto parts production.

Recently, the bill also has been promoted as a way to keep domestic manufacturers from expanding "outsourcing," or importing foreign made parts for final assembly in U. S. plants.

Chrysler Corp.'s importation of Mitsubishi cars, Ford Motor Co.'s possible importation of Toyo Kogyo made cars and GM's relationship with Isuzu and Suzuki have also been raised by lawmakers as points of concern. Each of the Big Three have expressed interest in increasing their reliance on foreign built cars as a way to broaden their product mix.

This is particularly true in the case of the subcompact. Auto industry analysts say it has become increasingly difficult for the U. S. industry to make a profit on the sale of small cars here.

Under the bill, manufacturers selling more than 100,000 cars in the U. S. would be required to use specific levels of American-produced content. This content could include advertising and insurance, as well as jobs and materials.

Content requirements would range to 30 percent for the 1985 model year, 60 percent for 1986 and 90 percent for 1987 and beyond.

The exact percentage of domestic content required of a manufacturer is determined from a scale of U. S. sales that starts at 100,001 cars and increases to 900,000 cars, after which the requirements level off.

Domestic-content requirements would be phased-in over a three-year period beginning with the 1985 model year. The bill sets domestic content levels at the higher number of either the domestic-content ratio a car maker achieved in model year 1984, reduced by 10 percent, or the percentage specified in a table published by the Democratic study group of the House.

Since the UAW first kicked off the bill during the recession of 1982, local content has been a controversial issue. It has been supported primarily by Democrats from the big auto industry states, including Ottinger, of New York, who twice introduced the bill, and Michigan's chairman of the House Energy and Commerce Committee, John Dingell, whose committee had important jurisdiction over the measure.

The measure is opposed by the White House and is conceded to have no chance for passage in the Senate at this time.

• Argumens in the House prior to the vote drew on a broad range of issues. But, the primary concern was whether the bill would result in more or fewer jobs in the U. S.

Proponents' arguments centered foremost on America's trade relationship with Japan and the Japanese auto industry. Pro-local-content legislators argued that a major source of U. S. unemployment was reflected in the ballooning U. S. trade deficit. They claimed that the deficit flowed in big part from a one-way auto trade with the Japanese.

Ottinger said the U. S. trade deficit is estimated to be $70 billion this year. According to William Ford, Michigan Democrat, half of that deficit will result from U.S. trade with Japan.

Under provisions of the domestic content bill, Japan would clearly be most affected. The Japanese have firmly opposed the bill and have said that a domestic content law could drive them out of the U. S. market altogether.

Both Nissan and Honda have assembly facilities in the U. S. and have indicated they might shut down these plants if the domestic-content measure is enacted.

Of considerable irritation to sponsors of the measure, is the lack of success of U. S. automotive products in the Japanese market.

While quoting figures on the degree of Japanese auto influence on the overall trade situation in the U. S., Congressmen such as Pennsylvania Democrat Joseph Gaydos were disturbed that less than one percent of autos sold in Japan are foreign-made. Gaydos said fewer than 35,000 foreign cars made it to Japan last year.

• Arguments for the bill that were based on Japanese penetration of the U. S. market came from the view that the auto industry is vital to the national economy. Supporters belittled opponents' claims that the U. S. is moving toward a service economy and that the need for an industrial base is diminishing.

Ottinger said 180,000 auto workers are jobless and that 600,000 workers in the parts industry were still unemployed.

Opponents of the legislation cited studies by the Congressional Budget Office, Wharton Econometrics, the Commerce Department and others that concluded the local-content bill would result in a net job loss in the U. S., if other nations retaliate with trade restrictions of their own.

The Wharton study estimated that by 1991 there would be a net gain of 58,000 jobs in the auto industry with the bill. However, this would be offset by an estimated loss of 423,000 jobs in other sectors of the economy. Domestic-content foes said the result of the bill would be akin to the Smoot-Hawley Tariff Act of 1930, which economic historians partially blame for the Great Depression.

Last year, MVMA and its member auto makers except Chrysler, were opposed to any domestic-content legislation. This time around, although General Motors has opposed the bill, the situation is less clear.

Last April, Chrysler Vice Chairman Gerald Greenwald endorsed such a bill, but cited it as the least desirable alternative.

Recently, when it became apparent that the bill would come up about the same time as a decision on the Japanese "voluntary" auto restraints, Chrysler Chairman Lee Iacocca endorsed passage of domestic content — and so told the Michigan Congressional delegation — as a way of sending a signal to the Japanese that Chrysler is "serious" about trade problems.

American Motors and Ford Motor Co. have taken similar positions, although no Big Three company — all of which have foreign partners — thinks content legislation is a "good" solution.

Since the bill appears to have no chance in the Senate, endorsement in the House is viewed by the companies as relatively harmless.

NADA also opposes the measure. After House passage last week, the dealer association said it will "continue to vigorously oppose a domestic content law because it will be devastating to both consumers and the retail automobile industry" because of higher prices.

What may have counted most heavily against auto industry protection were the record-breaking third-quarter profits turned in by Detroit only days before the House vote. This was a popular theme of the debate, even though those profits came after one of the worst slumps in the auto industry's history.

Although the margin of passage in the Democrat-controlled House was slim and its outlook in the Republican-controlled Senate is generally considered much less good, Senator Don Riegle, Michigan Democrat, has urged hearings as soon as possible.

The Senate bill has only 14 sponsors, not counting Riegle and Senator Carl Levin, Michigan Democrat.

U. S. FRANCHISES

	Oct. 1, 1983	Oct. 1, 1982
AMERICAN MOTORS-RENAULT		
AMC	1,426	1,475
Renault	1,329	1,315
CHRYSLER CORP.		
Chrysler	2,824	2,644
Dodge	2,678	2,473
Imperial	409	430
Plymouth	2,765	2,562
FORD MOTOR CO.		
Ford	4,626	4,630
Lincoln	1,530	1,473
Mercury	2,637	2,585
GENERAL MOTORS		
Buick	2,940	2,905
Cadillac	1,595	1,575
Chevrolet	5,150	5,220
Oldsmobile	3,160	3,135
Pontiac	2,960	2,940
VOLKSWAGEN	910	949

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New-car dealer count up by 94 for third quarter

Continued from Page 1

are encouraging — increases for the quarter and nine months and relative stability for the model year — it's too early to declare that a new era of dealer increases is underway.

The industry has been losing dealers for 28 years, and one big quarter doesn't signal a complete turnaround.

Chrysler Corp. is coming back strong from the decimation its dealer ranks suffered during the recession and its own financial travail. Ford Motor is moving upward, and GM dealer losses have lessened during recent quarters. But it would be wise to wait and see for a few more quarters.

The 1983 model year brought franchise gains for 10 of the 15 makes of domestic cars. Three Chrysler Corp. lines showed the biggest increases — 205 for Dodge, 203 for Plymouth and 180 for Chrysler. Lincoln added 57 locations, and Mercury picked up 52.

At GM, there were franchise additions of 35 for Buick, 25 for Oldsmobile and 20 apiece for Pontiac and Cadillac. Renault was up 14.

Franchise declines were reported for Chevrolet, down 70; AMC, down 49; Volkswagen, down 39, and Ford, down 4. Imperial was down 21. Although Imperial has been dropped, the franchises will remain in effect until the end of this calendar year.

For Chrysler Corp., the 1983 model year was a case of going from good to better in dealer totals. The company was up every quarter with gains of 8, 27, 61 and 73 for a total of 169. Its total of 3,798 compares with 3,629 when the '83 season began.

Franchise totals on Oct. 1 were: Chrysler, 2,824; Plymouth, 2,765; Dodge, 2,678, and Imperial, 409.

In addition to its 3,798 car dealerships, Chrysler Corp. has 8 that handle only Dodge trucks. They are not included in the corporation's car-dealer total or in the Dodge car-franchise total.

Ford Motor Co. opened the '83 model year with 5,454 car dealerships and, wondrously, closed the model year with exactly the same number. Ford lost 40 dealers in the first quarter of the model year and 11 in the second. Then it gained 21 in the third and 30 in the fourth to break even.

The latter number was Ford's biggest quarterly upturn in the 22 years for which such data is available.

Latest franchise counts are: Ford, 4,626; Mercury, 2,637, and Lincoln, 1,530.

Ford Motor has another 103 dealerships that handle only Ford heavy-duty trucks. They are not included in the company's car-dealer total or in Ford Division's car-franchise total.

At GM, dealer losses lightened as the model year moved along — 70 in the first quarter (last October-December), 50 in the second and 25 in both the third and fourth. The current total of 10,060 compares with 10,230 a year earlier.

GM franchise figures on Oct. 1 were: Chevrolet, 5,150; Oldsmobile, 3,160; Pontiac, 2,960; Buick, 2,940, and Cadillac, 1,595.

AMC-Renault had 1,554 dealerships on Oct. 1, down from 1,580 a year earlier. After gains of 9 and 1 in the first two quarters of the model year, there was a loss of 49 in the third quarter and a gain of 13 in the fourth. About 1,200 AMC-Renault points handle both makes.

Franchise totals on Oct. 1 were 1,426 for AMC and 1,329 for Renault.

There were 910 VW dealers on Oct. 1, down 39 for 12 months. After dips of 15 and 14 in the first two quarters of the model year, VW trimmed its losses to 5 in each of the next two periods.

Chrysler plant recalls workers, will hire 1,200

ST. LOUIS.—Chrysler Corp.'s nearby Fenton plant has recalled all its laid-off workers and is now seeking 1,200 new employes to man the second shift at Plant No. 2.

The company has adopted a new method of selecting workers. Present workers will refer friends and relatives for these new jobs.

Hiring for the Plant No. 2 second shift is expected to be finished by late November and training would start shortly thereafter. In mid-January, the second shift would be fully operational, and two plants will be employing approximately 8,200 people.

A company spokesman said that the new workers are required for assembly of the full-size rear-wheel-drive Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury.

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Domestics gain 36 percent; imports up 16 percent

New-car sales surge in October

Continued from Page 2

Honda's October, 1983, total was 5,219.

GM increased its share of the domestic market to 61.76 percent from 60.74 percent during the month. Ford was up to 22.63 percent from 21.71 percent. Chrysler earned 11.43 percent compared with 13.56 percent a year earlier. AMC had 2.31 percent, down from 2.61 percent. VW came away with 1.08 percent, down from 1.38 percent, and Honda had 0.79 percent of the current year's October market.

Buick and Oldsmobile claimed record sales in October and all U. S. makes were up except Lincoln and AMC. Buick was up 43.69 percent, to 96,080 from 66,868, shattering sales records for any month in its history (June, 1973, was the former best with sales of 92,546 reported). Oldsmobile's 104,741 units were third best for any month and greater than the previous October record of 104,676 notched in 1978.

Chevrolet reported a 29.64-percent sales increase, Cadillac was up 26.46 percent and Pontiac sales mushroomed 66.51 percent. Ford was up 41.28 percent, Mercury was up 64.74 percent and Lincoln was off 10.70 percent.

Chrysler was up 34.03 percent, Dodge was up 13.03 percent and Plymouth was up 1.32 percent. AMC was off 53.64 percent, Renault Alliance/Encore was up 77.48 percent and VW was up 6.19 percent.

October import sales included records for the month for BMW, Jaguar, Mitsubishi and Volvo. BMW was up 20.66 percent, Jaguar was up 30.25 percent, Mitsubishi celebrated its first complete year on the market with a 171.15-percent sales surge and Volvo was up 57.30 percent.

Among the major Japanese imports, Toyota was up 32.71 percent, Nissan was up 4.02 percent, Honda was up 12.69 percent, Mazda was up 6.62 percent and Subaru was down 12.53 percent.

• European import results included a 38.43-percent gain for Saab, a 29.77-percent climb for Volkswagen, a 26.60-percent gain for Porsche, a 2.42-percent gain for Mercedes and a 12.17-percent decline for Audi.

While imports were subdued to 22.80 percent of the total October market from their year-ago 25.66-percent share, U. S. intermediates claimed 29.31 percent, compacts had 16.72 percent, subcompacts had 12.69 percent, standards had 12.68 percent and luxury models picked up 6.07 percent.

Excluding imports, intermediates took 37.96 percent, compacts 21.66 percent, subcompacts 16.42 percent, standards 16.09 percent and luxuries 7.87 percent.

Late-October domestic sales were up 26.52 percent, to 236,895 from 187,238. All major auto makers reported increases.

Ford was up 33.47 percent, GM was up 25.04 percent, Chrysler was up 9.84 percent, AMC was up 53.20 percent and VW was up 6.36 percent.

Ford earned 23.61 percent of the market for the period, GM had 52.84 percent, Chrysler held 12.09 percent, AMC had 2.91 percent, VW had 1.47 percent and Honda had 1.08 percent.

With nine selling days in the period both this year and last, the daily selling rate was up 26.52 percent, to 26,322 from 20,804. The daily rate for the month this year was 25,546 compared with 18,764 in 1982. There were 26 selling days each time.

U. S. CAR SALES BY MARKETING UNITS

	Oct., 1983	Oct., 1982	10 Mos., 1983	10 Mos., 1982
Chevrolet	119,136	91,898	1,117,130	1,043,561
Ford	101,781	72,043	866,487	765,545
Oldsmobile	104,741	77,367	844,778	661,746
Buick	96,080	66,868	715,891	599,255
Toyota	53,789	40,532	461,300	441,307
Pontiac	58,677	35,240	449,760	396,233
Nissan	35,112	33,754	446,314	389,105
Honda	37,504	28,650	335,424	308,161
Mercury	39,983	24,271	340,818	272,879
Dodge	33,479	27,504	311,287	259,884
Plymouth	26,973	24,436	267,335	256,525
Cadillac	31,543	24,944	246,230	198,788
VW of America	17,430	15,800	188,074	182,155
Chrysler/Imperial	25,101	18,896	219,928	148,104
Mazda	14,578	13,673	147,688	135,641
Subaru	12,045	13,770	132,912	125,229
AMC-Renault	17,657	15,838	187,135	117,327
Lincoln	8,576	9,604	85,260	74,035
Volvo	6,748	4,290	76,469	64,262
Mercedes-Benz	5,678	5,541	59,149	53,120
BMW	4,562	3,781	47,703	41,813
Saab	1,999	1,444	21,750	15,136
Isuzu	1,505	1,631	17,263	12,405
Fiat	.....	784	5,002	14,111
Peugeot	1,142	1,191	12,132	12,041
Jaguar	1,128	866	12,370	7,746
Mitsubishi	3,186	1,175	26,385	1,175
DeLorean	.....	251	355	2,830
Alfa Romeo	185	208	3,651	1,752
TOTAL	860,318	656,250	7,645,878	6,601,870

IMPORTED CAR SALES

	Oct., 1983	Oct., 1982	10 Mos., 1983	10 Mos., 1982
Alfa Romeo	185	208	3,651	1,752
Audi	3,017	3,435	37,637	38,086
BMW	4,562	3,781	47,703	41,813
Conquest/Challenger	752	712	13,029	12,357
Plymouth Colt	3,[illegible]	1,596	28,842	32,772
Dodge Colt	3,[illegible]0	1,572	32,453	33,716
DeLorean	.....	251	355	2,830
Fiat	.....	570	4,489	13,136
Honda	32,285	28,650	297,807	308,161
Isuzu	1,505	1,631	17,263	12,405
Jaguar	1,128	866	12,370	7,746
Lancia	.....	214	513	975
Mazda	14,578	13,673	147,683	135,641
Mercedes-Benz	5,678	5,541	59,149	53,120
Mitsubishi	3,186	1,175	26,385	1,175
Nissan	35,112	33,754	446,314	389,105
Peugeot	1,142	1,191	12,132	12,041
Porsche	1,566	1,237	18,084	10,976
Renault	2,313	3,116	28,726	32,112
Saab	1,999	1,444	21,750	15,136
Conquest/Sapporo	696	800	10,686	10,840
Subaru	12,045	13,770	132,912	125,229
Toyota	53,789	40,532	461,300	441,307
Vista	1,350	.....	1,424	.....
Volkswagen	5,671	4,370	61,495	54,712
Volvo	6,748	4,290	76,469	64,262
TOTAL	196,124	168,379	2,000,626	1,851,404

Borg-Warner eyes joint venture with Clark Equipment

CHICAGO. — Borg-Warner Corp. and Clark Equipment Co. are exploring a joint venture to manufacture and market manual transmissions and clutches.

James F. Bere, chairman of Borg-Warner, and James R. Rinehart, chairman and president of Clark, emphasized that discussions are in preliminary stages and that no definite agreement has been reached.

Elements Borg-Warner might contribute to the joint venture include: Warner Gear at Muncie, Ind.; automotive clutch sales and engineering facilities in the U. S.; Borg & Beck do Brazil; the company's investment in Borg & Beck de Mexico, and Michigan Powdered Metal Products, in Livonia, Mich.

For Clark, elements might include its sales, engineering, warehousing and light-assembly facilities for manual transmissions at Kalamazoo, Mich.; the transmission business and plant of Equipamentos Clark Ltda., Brazil, and its investment in Transmissiones y Equipos Mecanicos, S.A., Mexico.

$49-over dealer attacks Fiero allocation plan

Continued from Page 3

eight for the entire 1984 model run.

Peterson said he was told that allocation of the Fiero is based on historical sales of Firebird. "The Fiero is not a Firebird," Peterson said. "It's an entirely new car. Why not base distribution on '66 GTO sales?"

Other dealers say that basing allotments of hot-selling cars, such as the Fiero, on previous sales history is the only fair method. Peterson argues it should be based on present sales, and orders should be filled as they are received.

Peterson said he has sold orders, with customers waiting for cars, while Minneapolis-area dealers are advertising that they have plenty of Fieros on their lots to choose from.

He said one of his customers, upon hearing that he probably would not get the Fiero he had ordered from Peterson, contacted Pontiac headquarters to complain.

Peterson said the customer noted that there were plenty of Fieros sitting on lots in the city and expressed anger that his order could not be filled. He was advised to buy one of those cars off the lot.

The customer refused, Peterson said, because the car would cost him $1,379 more.

DOMESTIC CAR SALES

	Oct. 21 to Oct. 31	Same Period, 1982	October, 1983	Same Month, 1982	Jan. 1 to Oct. 31	Same Period, 1982
Renault Alliance	.....	.....	8,112	7,204	109,463	14,041
Renault Encore	.....	.....	4,674	.....	8,325	.....
RENAULT	5,860	3,000	12,786	7,204	117,788	14,041
Spirit	.....	.....	84	793	4,189	14,593
Concord	.....	.....	117	1,643	11,244	27,063
Eagle	.....	.....	2,357	3,082	25,188	29,518
AMC	1,034	1,500	2,558	5,518	40,621	71,174
AMERICAN MOTORS*	6,894	4,500	15,344	12,722	158,409	85,215
Horizon	2,409	1,813	6,486	4,040	46,338	39,938
Turismo	1,284	1,445	3,701	3,646	31,119	33,689
Reliant	4,897	5,805	11,862	13,564	135,361	122,068
Plymouth	100	267	282	790	14,322	17,218
Total Plymouth	8,690	9,330	22,331	22,040	227,140	212,913
Laser	1,157	.....	2,686	.....	3,611	.....
LeBaron	.....	.....	.....	.....	.....	912
LeBaron K	2,808	2,871	7,748	7,330	68,768	.....
Cordoba	85	538	272	1,481	10,120	13,588
New Yorker 5th Ave.	1,417	2,440	3,575	6,578	64,593	52,621
E-Class	1,183	895	3,293	3,339	30,781	3,339
New Yorker E	2,756	.....	7,527	.....	40,902	.....
Total Chrysler	9,406	6,744	25,101	18,728	218,775	145,907
Total imperial	.....	77	.....	168	1,153	2,197
Omni	2,086	1,348	5,681	3,266	41,470	33,214
Charger	1,671	1,513	4,537	3,732	39,462	34,694
Daytona	838	.....	2,062	.....	2,864	.....
Aries	3,339	4,745	9,134	11,445	101,132	91,869
600 Cpe./400	650	1,099	1,749	2,583	25,690	23,523
Diplomat	383	547	943	1,948	21,651	22,451
Mirada	70	248	225	625	4,186	6,439
Dodge 600	1,516	431	4,175	1,621	28,593	1,621
Total Dodge	10,553	9,931	28,506	25,220	265,048	213,811
CHRYSLER CORP.	28,649	26,082	75,938	66,156	712,116	574,828
EXP	245	215	543	1,962	18,141	32,110
Escort	10,600	10,864	27,375	23,945	275,090	285,427
Mustang	4,625	4,397	11,336	12,116	97,267	101,453
Tempo	8,319	.....	23,077	.....	94,063	.....
Fairmont	.....	.....	4,005	.....	11,008	37,521	109,916
Granada	.....	.....	1,292	.....	3,712	3,751	86,812
Thunderbird	5,224	1,081	14,143	3,333	106,572	39,171
LTD '83	6,267	3,056	16,436	6,262	132,625	6,454
Ford Crown Victoria	3,375	3,555	8,871	9,705	101,457	104,202
Ford Division	38,655	29,165	101,781	72,043	866,487	765,545
LN7	297	232	347	494	4,498	10,820
Lynx	2,411	2,363	6,630	5,312	68,641	83,320
Topaz	2,612	.....	6,832	.....	28,577	.....
Zephyr	.....	.....	1,126	.....	3,183	11,583	35,503
Cougar/Monarch 7	.....	.....	531	.....	1,770	906	38,28
XR-7	3,683	351	9,718	1,071	70,755	14,367
Capri	916	1,146	2,340	3,124	19,179	25,743
Marquis '83	2,490	1,284	6,634	2,993	53,677	2,991
Mercury Grand Marquis	2,646	2,376	7,482	6,326	82,997	61,848
Total Mercury	15,055	9,409	39,983	24,271	340,818	272,879
Continental	206	823	647	2,143	10,969	18,871
Lincoln	1,796	1,516	7,019	4,767	51,892	32,847
Mark VI	225	997	910	2,694	22,399	22,317
Total Lincoln	2,227	3,336	8,576	9,604	85,260	74,035
L-M Division	17,282	12,745	48,559	33,875	426,078	346,914
FORD MOTOR	55,937	41,910	150,340	105,918	1,292,565	1,112,459
Skyhawk	2,968	1,592	7,132	3,922	83,088	36,874
Skylark	3,462	4,485	10,682	10,911	87,220	121,852
Century FD	7,188	3,578	20,207	8,130	123,225	76,217
Regal Sedan/Coupe	9,010	7,863	25,486	21,799	203,429	188,895
LeSabre	6,020	3,904	16,167	10,973	128,177	91,160
Electra	3,362	2,253	9,445	6,235	67,651	48,349
Riviera	2,582	1,808	6,961	4,898	43,101	35,908
Buick Division	34,592	25,481	96,080	66,868	715,891	599,255
Cimarron	582	511	1,850	1,125	16,119	10,210
Seville	1,305	991	4,098	2,413	26,702	18,712
Cadillac	5,736	5,660	17,382	15,513	144,716	123,990
Eldorado	2,543	2,290	8,213	5,893	58,693	45,876
Cadillac Division	10,166	9,452	31,543	24,944	246,230	198,788
Chevette	4,792	6,334	13,924	15,056	148,104	197,193
Cavalier	9,278	3,861	25,857	8,769	210,247	98,254
Citation	2,223	5,410	6,323	12,373	80,123	156,495
Camaro	5,837	4,040	17,107	10,654	149,354	150,745
Celebrity	7,100	3,937	18,354	9,461	139,113	75,578
Malibu	676	3,369	2,425	8,426	83,672	92,648
Monte Carlo	3,778	3,199	10,946	8,355	85,359	82,857
Chevrolet	7,948	6,440	21,792	17,371	197,835	170,857
Corvette	961	554	2,408	1,433	23,323	18,434
Chevrolet Division	42,593	37,144	119,136	91,898	1,117,130	1,043,561
Firenza	1,155	940	3,827	2,423	38,149	21,985
Omega	925	2,054	3,423	5,331	43,835	61,525
Cutlass Ciera	6,867	4,422	22,827	12,297	155,225	88,677
Cutlass/Supreme	11,100	8,576	36,601	28,739	279,949	238,180
Olds 88	6,187	5,307	20,686	15,335	194,316	151,211
Olds 98	3,876	3,226	12,772	9,851	99,569	72,076
Toronado	1,429	1,231	4,605	3,391	33,735	28,102
Oldsmobile Division	31,539	25,756	104,741	77,367	844,778	661,746
Fiero	2,579	.....	7,059	.....	9,074	.....
1000	940	1,237	2,775	3,067	29,592	42,855
2000/Sunbird	2,707	1,555	7,278	3,903	72,568	46,732
Phoenix	495	1,431	1,625	3,358	21,508	41,026
Firebird	3,045	2,382	8,487	6,064	74,922	84,807
6000	3,685	2,175	10,264	5,532	74,758	41,004
Bonneville	2,727	2,382	8,231	6,710	71,552	64,086
Grand Prix	2,726	2,478	8,604	6,606	76,973	71,547
Parisienne	1,587	.....	4,354	.....	18,813	4,176
Pontiac Division	20,491	13,640	58,677	35,240	449,760	396,233
GENERAL MOTORS	139,381	111,473	410,177	296,317	3,373,789	2,899,583
VOLKSWAGEN	3,481	3,273	7,176	6,758	70,858	76,381
HONDA	2,553	.....	5,219	.....	37,617	.....
DOMESTIC TOTAL	236,895	187,238	664,194	487,871	5,645,252	4,750,466
IMPORT TOTAL	.....	.....	196,124	168,379	2,000,626	1,851,404
INDUSTRY TOTAL	.....	.....	860,318	656,250	7,645,878	6,601,870

*—AMC does not issue a breakdown for ten-day periods.

Month's total is 690,735

October car output best since '79

By Mary Beth Mayer
Staff Writer

In October, the domestic auto makers built 690,375 units—the highest total for that month since 1979, when 783,843 were finished.

October's total was the best for any month since June, 1981, when 712,524 cars were completed, and it led the year-ago month's sum of 415,197 by 65.65 percent.

Gains in output last week by Buick, Chevrolet and Oldsmobile partially offset production losses at Chrysler, which was crippled by a walkout of 3,200 workers at the auto maker's Twinsburg (O.) stamping plant.

The Twinsburg plant is Chrysler's sole supplier of such essential parts as roofs, doors and underbodies. The strike started last Tuesday (Nov. 1) and was still in effect at press-time.

So far, Chrysler's Belvidere (Ill.), Jefferson Ave. (Detroit) and Newark (N. J.) plants have been shuttered by the strike. Chrysler said that its two manufacturing units in St. Louis would close last Friday (Nov. 4), but would resume operations today (Nov. 7).

Chrysler estimated its auto output last week at 9,140, which was 62.75 percent below the 24,536 units built the previous week.

Last week, the U. S. auto makers scheduled 158,712 units, trailing the 163,947 built the week before by 3.20 percent, but 44.41 percent ahead of the year-ago week's 109,903.

Breakdown for the week by company was: General Motors, 62.47 percent; Ford Motor Co., 25.45 percent; Chrysler, 5.76 percent; American Motors, 3.59 percent; Volkswagen of America, 1.63 percent, and Honda, 1.10 percent.

So far this year, 5,690,371 cars have been completed, thus leading the year-ago output of 4,425,511 by 28.59 percent.

Fourteen auto assembly points worked overtime last week.

Seven GM facilities worked last Saturday (Nov. 5). Working two shifts were Arlington (Tex.), Doraville (Ga.), Fairfax (Kans.), Flint (B-D and G lines) and Janesville (Wis.). Baltimore and Pontiac P-line worked one shift Saturday.

Working extra daily and Saturday hours for Ford last week were Chicago, Edison (N. J.), St. Louis and Wayne (Mich.). Ford's factories at Atlanta, Kansas City and Lorain (O.) put in extra daily hours only.

This week, Ford plans extra daily hours at Chicago, Edison, Lorain, St. Louis and Wayne. Chicago and Wayne are also scheduled to work this Saturday (Nov. 12).

Porn publisher is arrested in DeLorean tape hearing

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES. — The DeLorean drug-trafficking case took a bizarre turn here last week as the focus shifted from the former auto maker to the publisher of what is considered a pornographic magazine.

Larry Flynt, publisher of Hustler, found himself in U. S. District Court last week under arrest after he refused to comply with a subpena issued by Judge Robert M. Takasugi.

Takasugi ordered Flynt to appear and turn over an audio tape that purports to show that DeLorean was threatened by government informant James Timothy Hoffman when the former auto maker attempted to pull out of the drug deal that led to charges here.

Flynt did not turn over the tape nor did he reveal where he got it. Takasugi ordered Flynt to return to court Nov. 14 when the hearing on the tape and its source will continue.

• Flynt was hauled into court by more than a dozen U. S. marshals after the publisher defied the judge's order to appear early last week. He said he feared for his life and said he would answer any of the court's questions if Takasugi would come to his Bel Air mansion.

Takasugi denied the "change of venue" and ordered Flynt arrested. It was also reported that Flynt would appear before a grand jury investigation into how he obtained videotapes of the government sting operation.

It was the airing of the videotapes that caused the indefinite postponement of DeLorean's trial.

Truck production reaches 5-year peak for October

October truck output reached 241,463, making it the best month of production in more than four years, since 292,897 units were assembled in June, 1979.

Last month's sum was the best for October since 1978, when 364,473 trucks were finished. Last October, 141,422 trucks were completed.

Last Thursday (Nov. 3), the makers built the 2-millionth truck of 1983, as truck production for the week was targeted at 57,504. The total for the week was 275 units over the 57,229 finished the week before and more than double the year-ago period's 26,725.

General Motors had three truck plants working last Saturday (Nov. 5). GM's Pontiac No. 5 and St. Louis points were on two shifts Saturday, while Janesville (Wis.) worked one shift.

Ford had its Kansas City, Norfolk (Va.) and Twin Cities (Minn.) facilities working extra daily hours last week, while its Lorain (O.) and Wayne (Mich.) points were on both daily and Saturday overtime.

October output in Canada is highest since '80

Canadian car and truck manufacturers produced more vehicles last month than in any October since 1980.

The car makers assembled 81,755 units in October, making it the highest month of production since 100,357 were built in June. It was the best showing for October since 88,333 cars were finished in 1980.

The truck manufacturers built 54,872 units last month, marking their highest monthly production total since 55,243 were completed in June, 1982. It was the top sum for October since 1980, when 55,943 trucks were built.

The car makers estimated last week's production at 21,208, up 4.27 percent from the 20,340 the previous week, but 46 units under the 21,254 completed in the year-ago period.

So far this year, 811,245 cars have been assembled, up 10.63 percent from 733,347 in the year-ago period.

Truck output last week was targeted at 10,638, off 22.74 percent from 13,768 the week before, but 23.06 percent ahead of 8,645 assembled in the year-ago week.

Chrysler Corp.'s Windsor Pillette Rd. plant worked only the first two days of last week due to a parts shortage caused by a strike at the company's Twinsburg (O.) stamping plant.

So far, there have been 3,347 T-115 minivans built at Chrysler's other Windsor facility.

U. S. CAR PRODUCTION

	Week Ended Nov. 5, 1983	Week Ended Nov. 6, 1982	Week Ended Oct. 29, 1983	Oct. Total	Jan. 1 to Nov. 6, 1982	Jan. 1 to Nov. 5, 1983
AMERICAN MOTORS	5,700	3,932*	5,486	20,528	81,951*	163,738
AMC Total	.....	809*	.....	.....	46,128*	4,071
Concord	.....	.....	.....	.....	.....	4,068
Eagle	.....	.....	.....	.....	.....	3
Renault Total	5,700	3,123*	5,486	20,528	35,823*	159,667
Alliance	3,700	3,123*	3,578	13,388	35,823*	135,400
Encore	2,000	.....	1,908	7,140	.....	24,267
CHRYSLER CORP.	9,140	15,219	24,536	102,309	514,087	746,833
Plymouth Total	2,260	5,665	7,998	33,394	207,406	262,043
Horizon	700	2,281	3,317	13,666	67,925	99,244
Reliant	1,500	3,311	4,459	18,714	138,378	157,982
Caravelle	30	73	184	818	1,103	4,512
Gran Fury	30	.....	36	196	.....	305
Chrysler Total	2,950	2,533	7,249	29,203	98,501	185,915
LeBaron	700	1,364	1,838	7,812	86,527	72,914
Laser	650	.....	1,863	6,121	.....	12,938
Chrysler	700	1,169	2,100	10,057	11,974	92,930
Fifth Avenue	900	.....	1,448	5,213	.....	7,133
Dodge Total	3,930	7,021	9,289	39,712	208,180	298,875
Omni	800	2,241	3,361	14,227	63,700	108,516
Aries	1,500	3,567	3,536	14,765	109,102	119,427
Daytona	1,000	.....	1,114	4,863	.....	10,251
Dodge 400	.....	551	.....	.....	27,093	18,478
Dodge 600	600	662	1,202	5,509	8,285	41,613
Diplomat	30	.....	76	348	.....	590
FORD MOTOR	40,384	26,041	40,709	161,239	940,470	1,304,903
Ford Division	26,258	15,987	27,871	112,246	589,497	845,844
Escort	9,038	6,079	8,504	32,789	234,585	237,460
Fairmont	.....	3,336	.....	.....	106,949	23,728
Mustang	3,333	1,892	3,445	14,576	108,812	100,559
LTD/Granada	4,694	4,680	4,997	18,775	104,003	150,130
Thunderbird	3,513	.....	3,874	17,609	29,326	163,263
Crown Victoria/Ford	1,719	.....	2,301	9,319	.....	80,891
EXP	.....	.....	59	223	5,822	1,407
Tempo	3,961	.....	4,691	18,955	.....	88,406
L-M Division	14,126	10,054	12,838	48,993	350,973	459,059
Mercury Total	12,053	7,642	11,035	44,516	268,311	371,316
Lynx	1,732	1,424	1,242	6,708	72,804	63,946
Capri	687	327	680	2,791	29,742	21,335
Zephyr	.....	1,029	.....	.....	34,182	8,601
Marquis/Cougar	2,036	1,723	1,864	7,436	47,906	63,840
Cougar/XR7	4,004	.....	3,965	13,645	10,580	108,401
Gr. Marquis/Marquis	2,483	2,939	1,919	7,670	71,545	80,034
LN7	.....	.....	.....	.....	1,552	290
Topaz	1,111	.....	1,365	6,216	.....	24,869
Lincoln Total	2,073	2,412	1,803	4,477	82,662	87,743
Continental	380	482	333	856	17,060	9,953
Lincoln	524	1,447	448	1,120	39,500	54,155
Mark VI/VII	1,169	483	1,022	2,501	26,102	23,635
GENERAL MOTORS	99,148	64,691	89,269	390,641	2,819,157	3,351,645
Buick Division	22,011	15,435	17,631	80,775	656,775	758,100
Skylark	3,336	3,723	.....	8,236	125,191	91,659
Skyhawk J	2,510	1,025	2,346	6,651	58,818	62,150
Century	3,649	1,379	4,620	18,819	98,047	143,602
Regal	4,905	4,126	3,623	18,436	180,015	206,808
Buick	6,331	4,195	5,788	22,882	157,816	209,810
Riviera	1,280	987	1,254	5,751	36,888	44,071
Cadillac Division	6,748	6,916	7,456	32,459	205,759	261,668
Cimarron	585	413	452	2,101	7,211	17,365
Seville	740	590	769	3,516	19,150	29,762
Eldorado	1,417	1,272	1,462	6,697	48,710	62,984
Cadillac	4,006	4,641	4,773	20,145	130,688	151,557
Chevrolet Division	34,096	16,899	30,845	132,133	903,745	1,111,188
Chevette	4,521	5,107	4,130	17,425	189,970	175,978
Cavalier	8,324	1,782	7,810	35,056	79,995	257,576
Celebrity	5,391	.....	5,741	22,618	58,477	139,911
Camaro	4,865	4,925	4,903	19,480	194,090	164,962
Citation	1,936	.....	.....	4,232	145,277	74,604
Malibu/El Camino	418	2,628	630	2,474	107,819	97,740
Monte Carlo	4,804	1,956	4,156	16,351	68,284	99,491
Chevrolet	3,092	501	2,782	11,277	37,319	77,801
Corvette	745	.....	693	3,220	22,514	23,125
Oldsmobile Division	24,511	19,828	22,017	96,210	668,498	863,855
Omega	1,724	1,620	.....	3,015	68,813	47,208
Firenza	1,830	1,122	1,690	4,824	39,783	39,721
Cutlass	7,136	6,097	7,044	30,240	181,762	257,425
Cutlass/Ciera	5,600	3,448	4,5[illegible]	21,118	106,541	181,207
Oldsmobile	7,263	6,657	7,7[illegible]	32,733	242,296	302,562
Toronado	958	884	9[illegible]	4,280	29,303	35,732
Pontiac Division	11,782	5,613	11,32[illegible]	49,064	384,380	356,834
Acadian†	.....	134	394	1,372	9,425	12,895
2000	2,784	.....	2,753	12,568	34,516	93,428
1000	791	488	939	3,971	32,712	36,198
Firebird	2,835	2,422	2,822	11,314	116,085	84,551
Phoenix	508	802	.....	1,094	42,340	21,799
G. Prix/Bonneville	1,916	1,767	1,723	7,845	118,960	82,041
Parisienne	848	.....	714	3,291	.....	9,588
Fiero	2,100	.....	1,975	7,609	.....	16,334
6000	.....	.....	.....	.....	30,342	.....
HONDA	1,750	25*	1,400	5,621	25*	41,951
VOLKSWAGEN	2,590	.....	2,547	10,037	67,658	81,301
CHECKER	.....	.....	.....	.....	2,163*	.....
Total Cars, U. S.	158,712	109,908	163,947	690,375	4,425,511	5,690,371

TRUCK PRODUCTION IN U. S.†

	Week Ended Nov. 5, 1983	Week Ended Nov. 6, 1982	Week Ended Oct. 29, 1983	Oct. Total	Jan. 1 to Nov. 6 1982	Jan. 1 to Nov. 5, 1983
CHEVROLET	19,752	12,095	18,680	76,694	577,976	704,880
DODGE	3,900	2,402	4,230	15,444	109,419	120,921
FORD	20,775	5,618	21,472	96,800	600,341	783,521
GMC	6,404	4,060	6,363	26,131	201,826	222,253
INTERNATIONAL	1,178	.....	1,175	5,241	39,880	43,306
VOLKSWAGEN	.....	.....	.....	.....	8,103	2,079
JEEP	3,245	1,500*	3,062	12,539	75,039	85,206
NISSAN	1,200	.....	1,197	4,204	.....	9,662
AM GENERAL	50	50*	50*	210*	2,080*	2,130*
MISCELLANEOUS	1,000	1,000*	1,000*	4,200*	48,000*	42,600*
Total Trucks, U. S.	57,504	26,725	57,229	241,463	1,662,664	2,016,558

CANADIAN TRUCK PRODUCTION

	Week Ended Nov. 5, 1983	Week Ended Nov. 6, 1982	Week Ended Oct. 29, 1983	Oct. Total	Jan. 1 to Nov. 6, 1982	Jan. 1 to Nov. 5, 1983
CHRYSLER CORP.	896	4,191	3,696	12,750	90,373	108,117
FORD MOTOR	3,360	96	3,419	14,174	115,309	118,418
GENERAL MOTORS	6,248	4,096	6,521	27,425	208,900	220,493
INTERNATIONAL	134	262	132	523	9,206	4,771
Total Trucks, Canada	10,638	8,645	13,768	54,872	423,790	451,799
N. American Trucks	68,142	35,370	70,997	296,335	2,086,454	2,468,357

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

CANADIAN CAR PRODUCTION

	Week Ended Nov. 5, 1983	Week Ended Nov. 6, 1982	Week Ended Oct. 29, 1983	Oct. Total	Jan. 1 to Nov. 6, 1982	Jan. 1 to Nov. 5, 1983
AMERICAN MOTORS	720	1,219	729	2,688	27,015	24,491
CHRYSLER CORP.	.....	5,368	.....	.....	141,560	104,365
FORD MOTOR	7,188	5,022	6,834	25,806	249,116	224,096
GENERAL MOTORS	13,065	8,465	12,552	52,361	306,829	449,341
VOLVO	225	180	225	900	8,827	8,952
Total Cars, Canada	21,208	21,254	20,340	81,755	733,347	811,245
N. American Cars	179,920	131,162	184,287	690,375	5,158,833	6,501,616
N. American Trucks	68,142	35,370	70,997	296,335	2,086,454	2,468,357
North American Cars and Trucks	248,062	166,532	255,284	986,710	7,245,287	8,969,973

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

11/14/83
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59th year—$40 per year, $1.00 per copy

Domestic makers open '84 with 286 models, down 10

By John K. Teahen Jr.
Managing Editor

Eleven nameplates disappeared, four new ones were added and the domestic auto industry wound up with 286 models to start the 1984 selling season.

The total is down from 296 offered in the 1983 model year, an AUTOMOTIVE NEWS tabulation shows.

The present total will grow in the coming months. Still to appear are the front-wheel-drive C-cars from General Motors, the Oldsmobile 98, Buick Electra and Cadillac DeVille. GM will call them '85 models, but they will be part of the '84 sales picture if they arrive next spring as anticipated.

Other makers can also be expected to add a model here and there to their current ranges.

It is unlikely, however, that the total will grow as much as it did last year. The makers opened the '83 model year with 271 selections, and the count rose to 296 later on.

Ford Motor Co. was a big contributor to the '83 expansion. Its Tempo, Topaz, Thunderbird and Cougar lines all were late starters.

The current 286 models consist of 144 for GM, 81 for Ford Motor, 42 for Chrysler Corp., 15 for American Motors-Renault and 4 for Volkswagen.

(Only U.S.-built Renault and VW models are included. Honda makes one model in the U.S., but it is not included here because Honda also imports that model.)

At the end of the '83 model year, the domestic list showed 137 models for GM, 93 for Ford, 43 for Chrysler, 16 for AMC-Renault and 7 for VW.

Thus, GM shows the only gain for '84, an increase of 7. Ford is down 12, and there have been dips of 3 for VW and 1 each for Chrysler and AMC-Renault.

• Discontinued nameplates played a major role in the decline in the number of models for '84. As noted, 11 nameplates have faded from the scene.

American Motors dropped Spirit, Concord and Eagle SX-4. Chrysler Corp. dumped Cordoba, Mirada, Imperial and Dodge 400. Fairmount Futura, LN7 and Zephyr have disappeared from the Ford list, and GM got rid of Malibu.

New to the scene are Chrysler Laser, Dodge Daytona and Pontiac Fiero on the sporty side and Renault Encore, the hatchback version of Renault Alliance. In addition, Lincoln has updated a name because of a body change: Mark VII replaces Mark VI.

At AMC-Renault, the six new Encores just about balanced the seven models in the three lines that were dropped. Laser, Daytona and an expanded Dodge 600 series did the same at Chrysler.

Tables on Page 79.

In addition to discounting three lines, Ford Motor added and dropped models here and there throughout its lineup for a net dip of 12.

At GM, the major additions were the Fiero coupes plus station wagons for the A-cars—Chevrolet Celebrity, Pontiac 6000, Oldsmobile Cutlass Ciera and Buick Century.

Volkswagen dropped the Rabbit LS two-door hatchback and the Rabbit GL two-door and four-door hatchback.

For '84, the five domestic makers have added 41 models and dropped 51 for a net dip of 10.

• The AUTOMOTIVE NEWS new-model analysis includes all the models the domestic manufacturers are pricing and/or merchandising individually. It does not include engine options. For example, a Chevrolet Caprice Classic four-door sedan is one model even though it is available with a V-6 gas, a V-8 gas or a V-8 diesel engine.

The current 286 models consist of 105 four-door sedans, 133 two-doors, 11 convertibles and 37 four-door station wagons. (The two-door total includes hatchbacks, which some makers list as three-door models.)

The final count for '83 was 113 four-door sedans, 137 two-doors, 9 convertibles and 37 four-door wagons.

By market class, the 286 are divided into 63 subcompacts, 79

Continued on Page 79, Col. 4

MODELS: 1942-1984

Number of models offered by U.S. auto makers, 1942 to 1984:

1942	276	1965	348
1946	160	1966	368
1947	182	1967	370
1948	201	1968	368
1949	205	1969	365
1950	243	1970	375
1951	243	1971	341
1952	224	1972	297
1953	210	1973	304
1954	240	1974	302
1955	216	1975	325
1956	232	1976	294
1957	245	1977	275
1958	263	1978	259
1959	239	1979	268
1960	244	1980	252
1961	269	1981	278
1962	296	1982	307
1963	336	1983	296
1964	336	1984	286

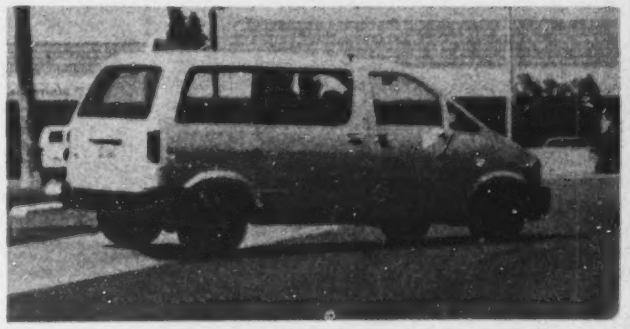
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Van wars



Chevy, Ford to compete with Chrysler

Chevrolet and Ford Motor Co. are both grooming new rear-drive downsized vans as spring, 1985, competition for Chrysler's 1984 front-drive Caravan/Voyager models. Chevy's M-van (above) and Ford's Aerostar will have standard four-cylinder engines with V-6 options. Aerostar will also have an optional 2.3-liter Mitsubishi-built turbodiesel. Aerostar will be built at Ford's St. Louis plant. Note Aerostar's elongated A-pillar window.



Sales rate outruns stock buildup; 1,224,092 units on hand Nov. 1

U.S.-built new-car inventory dips to 48 days

By Richard A. Wright
Assistant Managing Editor

The domestic new-car inventory continued to climb during October, but not as fast as the sales rate did, and the industry opened November with a 48-day supply, down from 55 days a month earlier.

The inventory totaled 1,224,092 on Nov. 1, compared with 1,195,755 a month earlier. A year ago, the inventory totaled 1,293,704 on Nov. 1, a 69-day supply.

Shortages were widespread, particularly among standard and luxury lines, although the shortest of all was Pontiac's hot-selling new Fiero.

All corporate makers except General Motors increased their inventories during October. GM's decline in unit count, coupled with an increased sales rate, slashed its supply from 54 days to 42 days.

GM's 42-day supply was particularly short of standard and luxury units. Among smaller cars, the J-bodies were relatively short and Fiero was leanest in industry at a meager 17 days.

Ford Motor Co. opened November with a 58-day supply, unchanged from Oct. 1. Ford

Table on Page 80.

was shortest of standard Ford, Mercury and Lincoln models.

Chrysler Corp. had a 54-day supply, down from 58 days a month earlier even though the company's unit count rose slightly during the month. Chrysler's stock was quite well balanced, as it has been for some months now.

American Motors had a 76½-day supply Nov. 1, quite evenly balanced between its Renault and AMC lines, and up a bit from 73 days a month earlier.

Volkswagen of America had a 68-day stock of U.S.-built Rabbits, down from 82 days Oct. 1, while Honda had a 22-day supply of U.S.-built Accords, up from 12 days a month earlier.

The Nov. 1 domestic new-car inventory was divided this way: GM, 54.23 percent; Ford Motor Co., 27.24 percent; Chrysler Corp., 12.97 percent; AMC, 3.68 percent; VWoA, 1.52 percent, and Honda, 0.36 percent.

A month earlier, the domestic new-car inventory was divided as follows: GM, 56.31 percent; Ford Motor Co., 26.11 percent; Chrysler Corp., 12.52 percent; AMC, 3.43 percent; VWoA, 1.34 percent, and Honda, 0.29 percent.

Each market segment opened November with a lower days-supply figure than a month earlier, but the biggest decreases were in intermediate and standard.

The industry had a 59-day supply of subcompacts, a 55-day supply of compacts, a 47-day stock of intermediates, a 36-day supply of standards and a 47-day supply of luxury cars.

A month earlier the days-sup-

Continued on Page 80, Col. 4

breaking news

Sierra milestone due in December

LONDON.—Ford of Europe will build its half-millionth Sierra during the week beginning Dec. 12. Production began at the end of June last year.

Hyundai to invade Canada in January

TORONTO.—Hyundai Auto Canada, Inc., will begin selling the Korean-made Hyundai Pony in Canada in January. Plans call for heavy advertising support, with a market target of 5,000 cars the first year.

Help on duty for Indian auto

MADRAS, India.—The Department of Heavy Industry has issued a certificate of fuel efficiency for the Dolphin passenger car, making it eligible for a concessional rate of import duty. The car is assembled in Bangalore from CKD kits shipped by Reliant Motor in the UK.

Service Index climbs again
Page 2

NEWSPAPER

Democrats pushing for legislation

Industrial policy drive is launched

By Geoff Sundstrom
Washington Reporter

WASHINGTON. — Industrial policy legislation is beginning to take shape for what promises to be an election-year drive for passage.

Democrats in the House and Senate began circulating industrial policy reports last week, urging legislation on a number of draft proposals. House Banking Committee chairman John J. LaFalce, New York Democrat, introduced an industrial policy bill he has worked on throughout much of this year.

Congressional Republicans and the White House oppose industrial policy, along with some Democrats. The Reagan Administration is concentrating instead on its National Productivity and Innovation Act of 1983 which would encourage joint research and development by relaxing some antitrust rules.

LaFalce's bill was introduced in association with a Democratic report from his economic stabilization subcommittee, titled Forging an Industrial Competitiveness Strategy. The report follows lengthy subcommittee hearings, chaired by LaFalce, on industrial policy issues.

A separate report on industrial policy from the House Democratic Caucus is also expected soon. This report may be more in line with a study released by the Senate's Democratic Caucus, which last week called for industrial policy measures less sweeping than the LaFalce proposals.

LaFalce has asked for the creation of a Council on Industrial Competitiveness which would coordinate the government's industrial policy. The council would be charged with analyzing existing policies, gathering data and building cooperation between business, labor, government and academia.

A Bank for Industrial Competitiveness would also be established under the LaFalce proposal, with the purpose of financing older industries that are in need of modernization, and providing capital to new, innovative firms that cannot obtain private backing.

According to the report, an Advanced Technology Foundation would also be created to fund applied commercial research in the same way the government funds defense research. Discoveries made through the research process would be made available to all U. S. firms, the report said.

The Bank for Industrial Competitiveness is perhaps the most controversial aspect of the plan. The bank would initially be funded by $8.5 billion from the U. S. Treasury. Beyond this amount, the bank would have to obtain funds from private financial markets.

The bank would make market rate loans, rather than subsidized grants, and any below-market-rate loans would have to be made from the bank's own earnings, according to the report.

Also recommended was the creation of a market for industrial mortgages, where loans would be secured by plants and equipment.

• The Senate Democratic Caucus proposal is less dramatic in comparison with the House banking report.

Drafted by a group headed by Senator Edward Kennedy, Massachusetts Democrat, the plan would establish a presidential advisory council of leaders from business, labor and government. The council would gather data, review policy and suggest actions to aid older, basic industries and new, high-technology companies.

Under the proposal, industries seeking government assistance would first have to get the council's approval of a plan to increase competitiveness through new investment, worker training, wage concessions or other measures.

The LaFalce report said an industrial policy would integrate issues such as the General Motors/Toyota joint venture, the fourth year of voluntary restraint on Japanese auto shipments and the decision as to whether passive restraints should be required in all passenger vehicles.

The report said industrial policy was needed to develop a "common sectoral policy toward the automobile industry."

But auto industry witnesses who have appeared before LaFalce's committee have differed on the need for an industrial policy and on what form an industrial policy should take.

General Motors has taken a firm stance against the need for an industrial policy, while Ford Motor Co. and American Motors have taken a cautious approach. Chrysler Corp. has been more supportive of the idea by calling its government-assisted turnaround an "ad-hoc" industrial policy.

But the overwhelming sentiment among the domestic car manufacturers seems to be that the government should better enforce current trade laws and pressure foreign nations — especially Japan — to follow U. S. "free trade" practices more closely.

An urgent need for government action on international currency alignment seems to top the auto industry's wish list. This approach will "level the playing field," proponents argue.

But continuing employment problems in the wake of the recession and auto industry reorganization have made the UAW responsive to industrial policy proposals. However, the union still insists its local-content legislation must be the cornerstone of an industrial policy for the auto industry.



Californian makes commuter car

The Morton 3 commuter car, made by Morton Car Co., San Leandro, Calif., is powered by an air-cooled rotary gas engine. Fuel economy is 35 MPG and the car's top speed is 80 MPH, the company said. John O. Morton, pictured above, said that production will be 200 units the first year, with a goal of 2,000 yearly. The car will be sold for $6,000 and can be produced in a small factory with a crew of 12 at two units a day.

Service Index notches another monthly gain

By Francis J. Gawronski
Service Editor

The service and parts business in new-car dealerships continued strong in September as the rate of growth topped 15 percent for the fourth time in the last five months.

According to the Automotive News Service Index, service and parts volume in September amounted to 115.3 percent of that recorded by dealers in the same month of 1982.

The growth rate of shop business showed a gain of 15.1 percent in May, 15.6 percent in June, 7.8 percent in July, and 15.5 percent in August.

Although September's growth rate slowed slightly, it marked the seventh consecutive month in which new-car dealers' service-parts business has shown an increase over the comparable year-earlier period.

Also, for the fifth consecutive month, all five indicators used in the Service Index recorded healthy increases, led by sales of all parts and accessories, up 20.6 percent over the volume attained in the year-earlier month.

Shop parts sales, those used on both customer-paid and warwanty work, jumped 17.9 percent above the volume registered last year, while gross profit on all labor, parts and accessories — the most important indicator from the dealer's viewpoint — was up 16.8 percent above last year's gross.

Total labor sales (customer-paid and warranty) topped last year's volume by 12.2 percent, while repair orders written were up 6.6 percent. In August, ROs were up 12.8 percent over the year-earlier figure, the best showing since July, 1978, when orders showed a 16.9 percent increase over number the year year before.

Figures used in the Service Index are averages compiled from reports on shop operations from a cross-section of the nation's new-car dealers.

Because of the increase recorded in September, service and parts business for January-September rose to 109.2 percent of the year-ago volume, compared with 108.4 percent escalation for the January-August period.

Gross profit showed a gain of 11.0 percent for the nine-month period, followed by sales of all parts and accessories, up 10.9 percent, and shop parts sales, up 10.4 percent.

Total labor sales advanced 8.3 percent, while repair orders written were up 2.7 percent over the year-ago figure.

SERVICE INDEX
115.3*

	Sept., '83 vs. Sept., '82	9 mos., '83 vs. 9 mos., '82
Gross Profit on All Labor and P&A Sales	+16.8%	+11.6%
Repair Orders Written	+ 6.6%	+ 2.7%
Total Labor Sales (Customer & Warranty)	+12.2%	+ 8.3%
Shop Parts Sales (Customer & Warranty)	+17.9%	+10.4%
Sales of All Parts and P&A	+20.6%	+10.9%

*—Survey by Automotive News shows that dealers' service and parts business in Sept., 1983, was 115.3 percent of business in Sept., 1982. Service business in the nine months of 1983 was 109.2 percent of business in the corresponding period in 1982.

European-built Merkur is reported for L-M

DETROIT. — Lincoln-Mercury last week termed "speculative" a newspaper report outlining the division's plan to introduce a new line of European-built models beginning next fall under the Merkur (Mare Koor) name.

The first model, a version of Ford of Europe's rear-drive Sierra XR4, will bow as a 1985 model called the Merkur XR4Ti, according to the Detroit Free Press. "Merkur" is the German word for Mercury, the Latin god of commerce.

The XR4Ti will be powered by Ford's 2.3-liter turbocharged and fuel-injected four-cylinder engine, mated to a five-speed transmission. Price will be about $16,000.

The second Merkur model, to be introduced in the spring of 1986, as a 1987 model, will be a version of Ford of Europe's new Granada model, being developed under the Scorpio codename.

Scorpio, also designated DE1, will be a rear-drive four-door sedan that seats five passengers. In the U. S., it may be powered by a new 3.0-liter V-6 engine, coupled to a four-speed automatic overdrive transmission. It may be named the Merkur XR6i.

The Merkur sedan will be priced at about $22,000.

Both models are intended to be Lincoln-Mercury's direct competition to popular European models.

Additionally, the newspaper reported that Ford Division's Special Vehicle Operations unit is developing a high-performance turbocharged Thunderbird model for 1985 or 1986.



It's a jungle out there

Albert Guibara, a sculptor in California (where else?) has created this Hippomobile, based on a 1971 Mustang convertible. The body is fashioned from copper and brass. A sculpted bird hides the rear-view mirror, and the tail switches from side to side to reveal the gas-tank inlet. Equipped with a special sound system, the Hippomobile broadcasts genuine hippopotamus grunts and noises as it moves along. The car will be offered for sale at the Custom Car and Hot Rod Show at Long Beach, beginning Nov. 18.

Would clear up open-end lease status

House eyes bill to bar taking TRAC as a sale

By Miles Moore
Washington Reporter

WASHINGTON. — Representatives and spokesmen for the auto leasing industry argued before a House subcommittee on behalf of a bill that would permanently prevent the Treasury Department from classifying open-end leases as conditional sales.

If passed, H.R. 1607 would ensure that terminal rental adjustment clauses (TRACs) would not be taken into account in determining whether motor-vehicle leases are to be considered leases or conditional sales for tax purposes.

"The bill would settle a controversy that many members (of Congress) thought should never have arisen," said Rep. Sam M. Gibbons, Florida Democrat and sponsor of the bill, before the House Subcommittee on Select Revenue Measures.

Under TRACs, the lessee performs all maintenance and repairs and pays the lessor a monthly fee to cover such items as depreciation, insurance, license, registration and sales tax.

At the end of the lease — usually two or three years — if the leased vehicle is worth less than "Blue Book" value, the lessee pays the difference to the lessor. If it is worth more than "Blue Book," the lessor makes up the difference to the lessee.

According to the leasing industry, the open-end or TRAC lease has been in widespread use since the 1950s, with the lessors taking the tax advantages accruing from ownership. But in 1979, the Internal Revenue Service declared that open-end leases were to be considered conditional sales, giving the tax breaks to the lessees.

In 1982, Congress passed the Tax Equity and Fiscal Responsibility Act, which among other things stated that TRAC leases could not automatically be considered conditional sales until the IRS issued a final regulation saying that they could. The IRS published a proposed regulation in October, 1982, but has not yet issued a final rule.

• Passing H.R. 1607 would merely be showing favoritism to motor-vehicle lessors over lessors of airplanes, ships and other equipment, said Mikel Rollyson, the Treasury Department's deputy tax legislative counsel.

Rejecting the bill could have dire consequences for both auto lessors and auto manufacturers, the bill's proponents argued.

"Enactment of H.R. 1607 is necessary to prevent the IRS from continuing a course of action that would force motor-vehicle lessors to change the efficient way they have been doing business for more than 30 years," said A. Samuel Penn, president of the American Automotive Leasing Assn.

The need to change lease contracts in the event of the Treasury Department's victory would mean a significant short-term disruption in the auto leasing industry, according to two former deputy assistant secretaries of the Treasury — Dr. Gerald M. Brannon, now an economic consultant with the law firm of Piper & Marbury, and Dr. Emil M. Sunley, now director of tax analysis with Deloitte Haskins & Sells.

Under the conditional sales, the federal government would lose $50 per automobile, according to Sunley.

Conversely, passage of H.R. 1607 would grant the Treasury a small revenue gain — approximately $91 million in 1984-88, Brannon and Sunley said.

The House Ways and Means Committee has not yet scheduled a markup session for H.R. 1607. The Senate Finance Committee also has not scheduled markup on 1607's companion bill, S. 1161, on which hearings were held last June.



Making its mark

The first U. S. showing of the Mark VII for the public was a main event at the Boston Automobile Show. Joining in the festivities are, from left: B. J. Coughlan, Lincoln-Mercury general marketing manager; Al Kalish, chairman of the New England L-M Dealer Assn., and Robert L. Rewey, L-M general sales manager.

$70 million, says company, but what about public confidence?

Chrysler strike cost hard to assess

By Marjorie Sorge
Labor Editor

The six-day strike at Chrysler Corp.'s Twinsburg (O.) stamping plant cost the company about $70 million as it forced five assembly plants to close the first week of November, company sources said.

It also put another dent in the company's consumer confidence armor which Chrysler has worked so hard to shine.

The strike called by UAW Local 122 was settled Nov. 5 and a new contract was ratified by 804-293 on Nov. 6. The 3,200 workers covered by the pact returned to work Nov. 7 and all Chrysler plants were operating by Nov. 9.

The contract made changes in mandatory overtime schedules, relief time and health and safety regulations and added more janitors to the workforce.

"We pride ourselves in not taking things sitting down," said Paul Jeunnette, financial secretary of the local. "We hope we've stopped Chrysler from doing things at other plants — the takeaway sessions are over."

Jeunnette also said he believes the $70 million loss is "fictitious" and whatever money was lost can be made up.

"Nobody here wants to put the company out of business," he said. "We want to work, but we want a safe place to work."

Jeunnette also said he thought the strike "momentarily hurt Chrysler's public relations image with potential buyers, but that would be overcome.

• Thomas W. Miner, Chrysler industrial relations vice president, has said the strike was "costly and unnecessary."

According to one company source, the strike was caused by one man — Bob Weissman, president of the local. The source said Weissman told the company earlier he "would strike us when the time is right and they had us at their mercy."

Chrysler is currently working hard to increase output of its new Dodge Daytona and Chrysler Laser sports cars and is aiming at a January introduction of its new T-115 vans, the Dodge Caravan and Plymouth Voyager.

According to Jeunnette the production pace picked up about eight months ago and the Twinsburg plant has been working seven days a week during that period. Overtime was one of the major issues in the strike.

A Chrysler official said the plant did not work that much overtime until early September, and even then only about 90 percent of the workers in the press and assembly operations worked.

He said the company never had any trouble getting people to work the extended shifts.

Under the new agreement, 20 percent of those who work two weekends in a row will have the third weekend off if they want.

In the 1977 national contract, Chrysler and the UAW agreed to voluntary overtime for any plant that desired it. Twinsburg rejected the idea. According to Jeunnette, there was no problem with overtime then.

• Although plants could change from mandatory to voluntary overtime if they desired as long as they didn't flip-flop back and forth, Twinsburg chose to keep the mandatory situation. According to Jeunnette, workers there felt that accepting voluntary overtime might take work away.

Other provisions of the new agreement include an additional 12 janitors (the local wanted 42 more), the reinstatement of five people and records cleared and full back pay for six others previously disciplined.

In addition, the local maintained the 36-minute-a-day break time granted to production workers more than 20 years ago. Jeunnette said the company had taken away 12 minutes in some areas of the plant and was threatening to do the same in the entire operation.

In the health and safety area, presses leaking oil or spraying oil will be shielded by something other than cardboard umbrellas after five days, probably sheet metal.

U. S. says '84 autos are worth $110 more

WASHINGTON. — The value of quality changes for '84 domestic cars included by the government in its wholesale price index averaged $91.87 at the auto maker's level and $110.08 retail, according to the Bureau of Labor Statistics' annual assessment.

These are about half the average increase of $183.65 wholesale and slightly less than the average $221.70 retail increase in the sticker price.

BLS based its assessment on a review of manufacturer data of 17 similarly equipped '83 and '84 models used in the government's Producer Price Index, in its Consumer Price Index (used for living cost adjustments) and in the International Price Program.

The $110.08 retail value of the quality changes breaks down as follows:

1.—Better fuel economy and emissions control both currently and in anticipation of future requirements—$58.89.

2.—A negative adjustment of $12.09 because the federal bumper standard was relaxed from 5-MPH to 2.5-MPH impact speed.

3.—Other changes such as changes to standard equipment and changes for improved rust prevention—$63.28.

Separately, the Labor Department reported that the passenger-car wholesale index was 1.7 percent higher in October than in October, 1982.

Powers Design joins Zoe in production

LOS ANGELES.—Powers Design International, Newport Beach, Calif., will supervise all engineering, new-model design and production of Zoe Motors' Zoe Zipper passenger vehicles, utility vans and an expanded line of 3-wheel specialty vehicles to be ready for production in 1984.

Ronald Powers, president of Powers Design, will join Zoe Motors as senior vice president, new model design and production.

Attendance increases at Hawaii Auto Show

OAHU, Hawaii. — The Hawaiian Auto Show drew an estimated 170,000 to 175,000 people during the three-day exhibition, up more than 10 percent from last year.



You say you wanted out?

Nissan NX-21, flapped its huge gullwing doors on display stand at the Tokyo Motor Show. It has a gas turbine mounted between the rear wheels. Other show pictures and story on Page 60.

Isuzu, Mazda offer incentives for truck sales

Isuzu and Mazda are offering new incentives on trucks.

Isuzu's "Holiday Domo" program runs from Nov. 1 to Dec. 31 and covers '83 and '84 trucks. Dealers earn $150 on every '83 standard pickup sale and $50 on the '84 version.

They also earn $600 on '83 2WD Deluxe diesel pickups and $250 on '84s. Again, they earn $400 on '84 2WD Deluxe gasoline models and $150 on the '84 versions.

Finally, they earn $250 on the '83 4WD Deluxe gas and diesel pickups and $150 on the '84 versions. A special LS model luxury pickup earns $250 for the '83 and $150 for the '84.

Mazda Central is running a Nov. 1-Dec. 31 "Truck Treasure" incentive for sales managers on '84 pickups.

Mazda East still has its Sept. 1-Dec. 31 dealer incentive on trucks, paying $100 to $400 for various levels of accomplishment.

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